

## *Organisation and Methods in the Smaller Public Authority*

By RAYMOND NOTTAGE

*Mr. Nottage, who is Director of the Royal Institute of Public Administration, examines problems involved in introducing O & M techniques into local authorities and hospital authorities. The views he expresses are his own and not necessarily those of the Institute.*

THE publicity given to the Treasury's O & M investigation into the City of Coventry's administration has set the members and officers of many other public bodies wondering how best they can employ O & M techniques in their own organisations.

It is still little more than a decade since 1941 when Sir Horace Wilson, then Permanent Secretary to the Treasury, called in Mr. J. (now Sir James) Reid Young, a Director of Vickers Ltd., to advise on whether the Treasury's Investigating Section should be developed. Mr. Reid Young recommended expanding the functions of this Section, which had just been renamed the Organisation and Methods Division. Since then O & M has come to be the almost universally accepted title for the process of giving systematic and "scientific" study to the organisation of an authority, or a department of an authority, and to the detailed methods of work which are employed within the various departments. Its objects, simply, are to secure economies in cost and labour, and improvements in standards of service.

O & M is now a well-established feature of central government administration. About twenty of the major departments have their own O & M units, and the Treasury provides an O & M service for the smaller departments. The Treasury also performs certain specialist functions, such as training, and co-ordinates O & M activities in central government as a whole. A number of the major public corporations have also developed O & M units, among them the Bank of England, the B.B.C., British Electricity Authority, British European Airways, the National Coal Board, London Transport Executive, South Eastern Electricity Board, and the East Midlands, Southern and South Eastern Gas Boards. O & M techniques have also been adopted by the governments of a number of other countries, including those of the U.S.A., Canada and Australia, and the United Nations Technical Assistance Administration have sponsored publications on various aspects of O & M for the benefit of the under-developed countries.

O & M has thus clearly established itself as an indispensable tool of management in the larger administrative unit, but it has not yet been very extensively adopted by the smaller public bodies, among whom are many local authorities and hospital authorities.

### *Can O & M Help the Smaller Organisation?*

There is evidence that the use of O & M techniques can be rewarding in small organisations as well as in large, as the following examples show:

(a) The Metropolitan Boroughs O & M unit, constituted in 1951, has proved to the authorities who promoted it that it can justify itself, and there has been general support for its continuation for a further period of five years. This is hardly surprising in the light of the results it has so far achieved, and which are described later in this article, but one specific instance of its work is mentioned here to indicate its nature and its usefulness. In the Housing Department of one Metropolitan Borough it was found that applications and lettings were handled by two separate groups of staff. Of the 27 card indexes, registers and statistical records maintained, some had ceased to serve any purpose, others contained information obtainable elsewhere, while many were required only because of the existence of the two sections. It proved possible, after a detailed study, to reduce the number of records to ten.

(b) In a non-county borough in the Home Counties, the O & M officer was able, in conjunction with the Engineer's Department, to devise substantial improvements in the methods of street cleansing. This was formerly done by orderlies, each working independently with a broom, shovel and hand-cart. After sweeping a section of road, each man returned over his track to collect and wheel forward his hand-cart, covering each section of road three times in the process. The refuse from the hand-carts was collected by lorries, but delays often occurred between the filling up of the hand-cart and the arrival of the lorry. Under the new system the orderlies work in teams of three, each team being equipped with a one-ton capacity pedestrian-controlled electric truck. Two of the members of the team sweep the refuse forward into piles which are collected by the truck operated by the third man. In this way each man only traverses the same ground once. Thanks to this change, transport costs have been reduced by 80 per cent., and streets are now cleaned every eight or nine working days, compared with every four to five weeks formerly.

(c) In a County Hall, practically every department had its own duplicating machine, there being 13 in all. As a result of an O & M inquiry it proved possible to centralise all headquarters duplication on two machines operated by one girl who had been specially trained for the work. In addition to the capital value of the 11 redundant machines, the economies covered stocks of consumables (including paper formerly wasted through unskilled operation), office space, and time of skilled typists.

(d) Finally, the Coventry investigation must not be ignored. Although the Policy Advisory Committee of the City Council considered that the Treasury estimate of £50,000 a year savings could not be secured immediately, they went on to say that they were satisfied that substantial improvements in organisation and administrative methods would follow from the review.

There seems good reason to suppose, therefore, that the greatly extended use of O & M techniques in local government would lead to worth-while

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financial economies and to improved standards of service, and the situation is unlikely to be very different in the hospital service. The question is how to apply O & M techniques in these organisations.

### *The Basic Problem of the Smaller Authority*

The first factor to be taken into account is that O & M work is difficult, and that to be well done it demands staff who (i) are of good quality, (ii) are of such a status that they can deal with senior officers without embarrassment, (iii) have been well trained, and (iv) are experienced in O & M investigations. It is an activity in which personal quality is all-important.

Secondly, it is desirable, if possible, for O & M investigations to be shared by a team of two or three rather than by a single person, for the simple reason that two or three heads are found to be better than one. Also, it is helpful if O & M officers can work in a unit in which some can specialise in particular aspects of O & M work, and in which there can be informal discussion on current problems.

The small authority obviously cannot afford to employ two or three highly-paid O & M officers on its staff, and indeed it will not have enough work to keep such a unit fully engaged throughout the year. The ideal solution must lie, therefore, not in trying to economise in the quality of the staff, but in devising a system by which the small authority can hire good quality staff for short periods to undertake a complete review of the organisation every few years or to advise on some special problem that is causing concern.

### *The Methods Officer*

Some public authorities that cannot afford an O & M unit of their own may well find, however, that they can advantageously employ a Methods Officer, who has some training in and experience of the smaller scale problems of work methods—forms, machines, office appliances, etc.—and who is also able by virtue of his special knowledge of these matters to give the establishment officer useful advice on staff complements.

The Methods Officer is an invention of the central government for their departments, such as the Central Office of Information, which are not thought to be large enough to justify an O & M unit of their own and so are required to draw on the Treasury for their main O & M service. One of the Treasury's recommendations to the Coventry City Council was that the Council should appoint a Methods Officer, and this proposal was adopted by the Council's Policy Advisory Committee. They said :

It is the opinion of the Policy Advisory Committee that, at any rate in the case of Coventry, there is scope for a continuous and specialised examination of administrative procedures, etc. As the [Treasury] report observes, "Departments need to be able to call on the services of an officer skilled in the examination of procedures, systems and forms" and the opinion is expressed that there is considerable scope for improvements in filing arrangements and forms design and, as "a further task of some magnitude," the setting up of standards of output against which effective employment of clerks and junior administrative staff could be judged, and an assessment made of the numbers required. The report

recommends the employment of a Methods Officer "at above Grade A.P.T. VI" to be on the staff of the Chief Administrative Officer and to be available to all Departments for advice or assistance.

Having in mind the Methods Officer's potential value to the smaller public authority, the Royal Institute of Public Administration introduced in March, 1954, full-time Methods Officers' Courses, lasting for three weeks, which are described later in this article.

#### *O & M in Local Government*

O & M has been a frequent topic of discussion in local government during the last few years. It was one of the subjects included in the conference on Establishment Work organised by the Institute of Public Administration in April, 1949, and was dealt with by Mr. J. R. Simpson, then Director of the Treasury O & M Division. It was also discussed by the Local Government Manpower Committee, and the First Report of that Committee, issued in December, 1949, recorded that the Local Authority Associations "are proposing to stimulate the extension to the local government field of Organisation and Methods techniques, which have been practised in the Civil Service for many years." The Second Report, issued some two years later, contained the following paragraph :

(c) *Organisation and Methods.* The local authority associations concerned are, as indicated in paragraph 15 of our First Report, considering the question of the extension to the local government field of Organisation and Methods techniques. The Metropolitan Boroughs' Standing Joint Committee, who had the matter under consideration before we were appointed, have since proceeded to set up an Organisation and Methods section for the Metropolitan Boroughs. The London County Council have had an Organisation and Methods section for some time.

In March, 1954, only about a dozen local authorities, apart from the Metropolitan Boroughs, employed full-time trained O & M staff. A number of local authorities are taking advantage of the Institute's Methods Officers' Courses, however, and during 1954 some 13 County Councils, 5 County Boroughs, and 7 County District Councils will have sent members of their staff on these Courses.

There are two special factors which sometimes militate against the adoption of O & M techniques in local authorities. The first arises partly from the nature of local authority administration and partly from the nature of O & M. The second may arise when party politics play an important part in the government of a local authority.

Local authorities perform many diverse functions and their fundamental administrative methods lead to strong departmental autonomy. In this situation the introduction of an O & M unit may seem to conflict with established departmental practices and interests and may meet with strong opposition in consequence. Thus, O & M cannot grow up from below. Neither can one departmental head impose it upon a colleague of similar standing in the organisation. It can be introduced only by the initiative of the highest level of management, and even then it must be done in such

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a way as not to frighten those who will need to make use of it. This must mean in a local authority that the Council itself or the Clerk must take the lead. If interest in O & M is lacking at these levels of management, the authority will almost certainly fail to employ O & M techniques to their best advantage. Experience proves, however, that given initiative at one of these levels, and a tactful approach by the O & M staff, the sceptical departmental head can soon be won over to the virtues of O & M, and as often as not he comes to seek more help from the O & M unit than it has time and resources to provide.

The elected member who is a keen politician, especially when he is in the minority party, may be tempted to use O & M as a stick with which to set about his political opponents. If the rates are too high, as they generally are in the eyes of opposition parties, why not introduce O & M and secure a dramatic and substantial reduction? When this line is taken, the majority party are tempted to resist the proposal, partly because they do not wish to accept the censure on their administration, and partly because they do not want to allow their political opponents the possibility of taking credit for improving the council's methods of administration and securing economies which had escaped them. Council members can easily do harm to the cause of good and economical administration by advocating the use of O & M for political advantage.

Local government, it must be recognised, is not an easy field in which to introduce O & M for the further reason that so many of its detailed administrative processes are made public. Thus a chief officer may be reluctant to have his department subjected to an O & M investigation when the report will be published, and may become the subject of adverse Press comment and even public controversy. This situation certainly does not exist in central government and the public corporations where O & M has so far made the greatest headway.

O & M in local government has, with the exception of about twenty of the Metropolitan Boroughs, been mainly confined so far to larger authorities in which committees probably do not have as much time to deal with administrative detail as they do in the smaller authorities. In consequence this problem has not yet appeared very acutely. In some authorities the reports are submitted to the chief officer and not to his committee, and the chief officer either carries out the recommendations proposed if he agrees them and has power to do so, or, if necessary, reports the O & M recommendations to his committee for approval in the same way as he would his own. In other authorities the O & M report is submitted to the committee concerned and the chief officer states whether or not he agrees with the recommendations. The O & M officer will usually discuss his proposals with the chief officer in the process of drafting his report. The chief officer will generally agree with a good many of the recommendations, and those on which a genuine disagreement exists will be presented to the committee with the arguments in favour of each point of view. The committee's report to Council summarises the main decisions eventually reached, and the O & M report is not published in full. There is much to be said for adopting the former method as far as possible, and for bringing to committees only those O & M recommendations which involve important questions of Council policy.

All experience suggests that O & M gets the best results if it is allowed to carry out its work unobtrusively and without the distractions of fanfare or spotlight. It depends very much upon the confidence it can establish with those whose work it is investigating. In any type of organisation it calls for a high degree of understanding on the part of all concerned, and this is particularly necessary in local government.

Thus, *Councillors* must let it be known that they recognise that O & M staff provide the departmental head with the time and the expert knowledge of organisation and methods which he cannot ordinarily be expected to have at his disposal. In consequence, improvements and economies as the result of O & M investigations must be regarded as demonstrating the value of employing O & M techniques and not as revealing shortcomings which departmental heads and their staffs were culpable in tolerating. Councillors must seek to ensure that O & M enquiries do not receive undue publicity, but are accepted as part of the ordinary and necessary processes for reviewing administrative efficiency and securing improvements.

*Chief Officers* who are charged with important responsibilities for formulating and carrying out policy must acknowledge that they do not always have time to review regularly all the administrative processes carried out in their own departments or in conjunction with other departments. They must be ready to accept specialist help on organisation and methods in the same way as they are accustomed to accepting specialist advice on financial, legal or other technical features of their responsibilities.

*O & M officers* will know that the good chief officer is generally only too anxious to adopt improved administrative methods when he knows what they are. It is their job, therefore, to help devise these methods in collaboration with the departments concerned, and indeed to help the departments find out administrative improvements for themselves.

Given these attitudes of mind, there is no reason why O & M should not come to occupy in local government a place as valuable as it has attained in other branches of the public services.

#### *Lines of Future Development*

The Treasury suggested as a result of their investigation at Coventry that a general review of a local authority's administration could most effectively be carried out impartially and with freedom to break away from tradition by calling in assistance, on an advisory basis, from outside the local authority's own organisation. The Policy Advisory Committee of the Coventry City Council also favoured the development of an external O & M service, stating that "as it may not be practicable for local authorities generally to contemplate general reviews or, indeed, any major examinations of organisation and methods with internal resources, we recommend that the Association of Municipal Corporations be asked to consider generally what steps could be taken to develop an Organisation and Methods service within local government." This recommendation was adopted by the City Council. The many smaller local authorities will undoubtedly have to rely on an outside body to provide them with a high-grade O & M service, but

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there is a case to be made in favour of the larger authorities developing their own O & M units.

The Treasury investigation at Coventry required the services of eleven different officers and the work that went into it was equal to six man-years. Even then the Treasury did not overhaul the administration in every detail. They did as much as they could for the agreed cost of the investigation and concentrated on those aspects which were likely to produce the most useful results for the Council. There is still scope for further O & M work in Coventry, some of which will be appropriate to the proposed Methods Officer.

If all the larger authorities rely on the outside organisation or organisations for O & M service, their aggregate demands in terms of man-years of work will be very high. The external organisation will have to be large and many of its officers will work for a single authority for many months at a stretch, very often at a distance from the O & M organisation's headquarters and away from their homes. The administrative and human problems inherent in this situation need no elaboration, and it is suggested that the following pattern of development would keep these problems to a minimum, while at the same time achieving satisfactory results for all concerned :

*The largest authorities.* An O & M unit employed by each authority.

*The next largest and the medium-sized authorities.* The outside O & M organisation, hired as and when required, together with a Methods Officer employed in the authority.

*The small authorities.* These authorities would generally have to rely exclusively on the outside organisation.

In considering this pattern of development, the following questions arise :

(a) What is the minimum size of an effective O & M unit?

(b) What size authority will produce sufficient work to keep a minimum size O & M unit fully occupied?

(c) What size authority would justify a Methods Officer but not an O & M unit?

(a) *The minimum size for an effective O & M unit.* It has already been suggested that O & M work, to be well done, demands a team of two or three people, and that the lone O & M officer must operate at a grave disadvantage. Very useful work has been done by two-officer teams, and it is suggested that the unit of two can be regarded as an effective minimum, provided the officers concerned are of suitable status and ability.

(b) *The minimum size of authority to justify the minimum size O & M unit.* The ratio of O & M staff to total staff in the authorities which have already developed O & M work gives a guide to the answer to this question. The L.C.C.'s ratio works out at one O & M officer to about 3,000 staff, excluding teachers and industrial grade workers. In central government the average ratio over all departments is one O & M officer to every 1,500 staff (excluding industrial and Post Office manipulative grades). British European Airways have recently decided to bring their O & M staff up to a ratio of one O & M

officer for every 1,000 staff, and they believe that a ratio of one for every 500-600 staff may prove to be ideal. The fact that an organisation engaged in highly competitive commercial activities should find such intensive use of O & M desirable is of the greatest significance. Furthermore, the total staff figures in their ratios do not exclude operational staff and engineers. These three organisations probably represent the main degrees of intensity of use of O & M which are practicable within a policy of employing O & M as a major instrument in the search for administrative efficiency.

In considering the proper ratio of O & M staff to total staff, the following factors have to be borne in mind :

(i) The composition of the authority's staff as a whole. For example, the major local authorities employ many school-teachers, manual and part-time workers, and the scope for O & M enquiries into the work in which these staff are engaged will be limited—but by no means completely lacking.

(ii) The extent to which standardised work performed in many places is a feature of the organisation. For example, other things being equal, a government department which has to perform a given function in standard fashion throughout the country will need to employ fewer O & M staff than another department of the same size carrying out diverse functions.

(iii) The scale of the organisation concerned. The average ratio of O & M staff to total staff will not ordinarily need to be so high for the large organisation as for the smaller one. The ratio will not need to be constant for organisations of all sizes.

(iv) The policy in the use of the O & M unit. If it is to carry out a continuous planned review of all parts of the organisation more O & M staff will generally be needed than if it is merely to carry out assignments by invitation of departmental heads.

(v) The extent to which O & M has already been used. For the first complete review a larger O & M staff will then be required than for subsequent reviews.

In central government these factors work out as follows :

*Factors tending to a lower ratio*

- (ii) Some standardised work.
- (iii) Large organisations.

(v) First reviews completed.

*Factors tending to a higher ratio*

- (i) High proportion administrative-clerical type work in relation to manual work.

(iv) Planned reviews.

For a county council or a county borough wishing to introduce an O & M unit for the first time and requiring it to make a thorough investigation of all parts of the authority, the balance would work out by comparison as follows :

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<i>Factors tending to a lower ratio</i>	<i>Factors tending to a higher ratio</i>
(i) Smaller proportion of administrative-clerical type work in relation to manual work.	(ii) Less standardised work. (iii) Smaller organisation. (iv) Planned reviews. (v) No previous reviews.

Although the relative importance of these various factors cannot be assessed with any precision, the local authority just referred to would probably be justified on this analysis in adopting a ratio approaching the average that exists in central government, but including school-teachers and manual workers in the figures of total staff. It certainly seems reasonable to assume that an authority with a total full-time staff of 3,500-4,000 (and such an authority would also employ several hundred part-time workers) would be able to keep a unit of two full-time O & M officers wholly occupied for several years. Considered in financial terms this would mean that an authority with a staff cost of £2-£2½ million a year would spend about £2,500 a year on its O & M unit. Experience suggests that with this scale of operations the annual cost of O & M would soon be handsomely repaid. On this basis at least 30 county councils and at least 30 county boroughs would be large enough to justify their own internal O & M units.

(c) *When is a Methods Officer justified?* It follows from the preceding paragraphs that an authority with a staff approaching 3,500 would certainly be justified in employing a full-time Methods Officer. The Methods Officer is not so widely employed outside local government as to suggest the basis on which the lower limit of size could be computed. Authorities with staffs in the region of 1,000-1,500, however, might well experiment with such an officer with a good prospect of savings exceeding costs.

Three arguments can be advanced against the suggestion that the largest authorities should set up their own internal O & M units. First, that the internal O & M review is not as effective as the external one, which is less likely to be influenced by an authority's traditional administrative practices. Second, that many local authorities perform similar duties and the external organisation will carry experience and ideas from one authority to another, with consequent saving of time in the reviews of departments common to many authorities. Third, that the external organisation, because larger, will enable its officers to specialise to a degree that is not practicable in small units.

These arguments have force, but against them must be set the practical difficulties referred to earlier, and the consideration that there is probably less similarity of administrative methods among local authorities in carrying out the same functions than might be supposed. Also, individual O & M units can exchange information, and so benefit from one another's experience, and this process has been stimulated by regular meetings of local government O & M officers arranged by the Royal Institute of Public Administration.

To sum up. In considering the way in which O & M is to be developed in local government it is first essential to try and assess the total volume of the work to be done, i.e., to "quantify" the problem. Secondly, full regard must be paid to the practical difficulties arising from the factor of geographical dispersion. The demands of the largest 60-70 local authorities in England and Wales for O & M service will be substantial in the aggregate. If they rely exclusively on external organisations they will greatly magnify the problem of establishing an external O & M service for local authorities generally, and will come to absorb a large part of the resources of that service. On the other hand, if they each develop their own internal O & M unit, they will probably obtain the kind of service they require at the lowest practicable cost, and will facilitate substantially the task of providing O & M service for their smaller brethren who must rely very largely on the outside organisation.

The authority that is willing to develop O & M internally must resist the temptation to do so departmentally. Several O & M officers working individually in separate departments will not be nearly as effective as the same number of officers grouped in a team and ranging, as required, over the whole of the authority. With the group there can be a better division of labour and a suitable grading of staff, both of which contribute to economy of operation. The group can be under a higher grade officer than any one department could employ on this type of work, and a group operating centrally can examine problems cutting across several departments with an objectivity that the departmental officers could not be expected to attain.

O & M does not lend itself to "blitzkrieg" operations. It would be highly fallacious, therefore, for local authorities to imagine that they can all have complete O & M reviews of their organisations within a matter of months from now, either by external or internal methods. There is no reservoir of trained and experienced staff standing idle and waiting for work of this sort, and the training of new O & M staff in the numbers required to carry out complete reviews of the 500 largest local authorities—even over a period of as long as five years—will represent a great deal of work, and will make extremely heavy demands on the comparatively small number of people at present competent to act as teachers.

#### *Co-operative Action in Local Government*

The only successful example so far of co-operative action in establishing an O & M service for a number of authorities is that of the Metropolitan Boroughs' O & M Committee, and the Metropolitan Boroughs must be given the credit for their enterprise. However, they are exceptionally well placed to undertake a scheme of this sort for they form a very compact group geographically, have the same powers and duties, and comprise a manageable number of authorities, already accustomed to working together in their own association, the Metropolitan Boroughs' Standing Joint Committee.

The Metropolitan Boroughs' O & M Committee was established under Section 91 of the Local Government Act, 1933, which provides that local authorities may appoint from among their members a joint committee for any purpose in which they are jointly interested. The Committee is composed of one elected Member from each of the participating authorities, and is

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responsible for recruiting and employing the necessary staff, and for determining the various questions of policy which arise in providing O & M service for the authorities in the scheme. The Committee arranges for assignments to be undertaken only at the request of the participating authorities. It does not itself have any power to initiate an assignment in an authority.

This Committee is assisted by an Advisory Committee of Officers, consisting of two Town Clerks, two Borough Treasurers, two Borough Engineers and Surveyors, two Medical Officers of Health, two Borough Librarians and the Honorary Clerk and Honorary Treasurer of the Metropolitan Boroughs' Standing Joint Committee. The Officers Committee advises on the order in which future assignments should be carried out, on the subjects of general reports, and on various other questions of day-to-day management encountered by the O & M unit. The full-time O & M staff now consist of a Director and three Assistants, one of whom is designated as Senior Assistant and acts as the Director's deputy.

The Director makes a confidential report on each specific assignment direct to the Council that has requested it. It is not subject to approval by the Committee of Members or by the Advisory Committee of Officers. On the other hand, general reports on subjects of interest to all the participating authorities, e.g., those on transport organisation, housing management and architectural services,\* are submitted in draft to the Advisory Committee of Officers.

The form of organisation which has been adopted reflects that of the Metropolitan Boroughs' Standing Joint Committee which, unlike the other local authority associations, does not employ a full-time secretarial staff, but relies on the services of an Honorary Secretary, and on the advice of special advisory committees of officers on the various questions that come before it.

The cost of the Metropolitan Boroughs' O & M unit is now running at about £6,000 a year, the detailed expenditure being roughly as follows :

Salaries—		Minimum	Maximum
Director	.. .. .. .. ..	1,500	1,800
1 Senior Assistant (APT X) and 2 Assistants (APT VIII-IX)	.. .. .. .. ..	2,580	3,060
1 Clerk/Secretary, say	.. .. .. .. ..	400	450
		4,480	5,310
Superannuation, say 10%	.. .. .. .. ..	450	530
Rent of offices	.. .. .. .. ..	275	275
Stationery, telephones, travelling and other incidentals	.. .. .. .. ..	300	400
		5,505	6,515

(Note. The salary scales are those operative from 1st April, 1954, and include London weighting.)

\*These general reports are normally placed on sale to other interested organisations and officials. Details may be obtained from the Metropolitan Boroughs' O & M Committee, Westminster City Hall, Charing Cross Road, London, W.C.2.

The 22 Boroughs which are in this scheme each contribute to its cost by annual contributions based on the formula :

- One-third by equal contributions ;
- One-third on the ratio of population ;
- One-third on the ratio of rateable value.

To produce an annual revenue of £6,000, annual contributions range from about £150 by Stoke Newington to close on £600 by the City of Westminster. No special payment is made for each investigation.

The team's output of work has been found to amount to about 10-12 specific departmental assignments and three general reports each year. Thus in every two-year period, each participating authority should have one of its main departments reviewed and should receive five or six general reports on various aspects of administration common to the Metropolitan Boroughs. At the time of the Committee's last Annual Report it was suggested that if all the recommendations made in the specific investigations had been adopted, the participating Boroughs would have been saving in the aggregate £50,000 a year. In addition, there were the savings resulting from improved practices recommended in the general reports, which are circulated to all the participating authorities.

The problem which faces a group of authorities starting an O & M service is that in the first few years the work demand is at its maximum, whereas the organisation is inexperienced, and its staff resources may be small. The O & M organisation needs time to grow and to develop, even though a mass of work clamours to be done. A long-term policy must be followed which strikes a reasonable balance between these two factors and produces a level of activity which will overcome the initial arrears of work within a reasonable period of time. It is questionable, however, whether the level of activity practicable with the present staff of the Metropolitan Boroughs' O & M unit is high enough to do this in all the 22 participating authorities. If an outlay of £5,000-6,000 a year can produce potential savings of £50,000 a year, what would an investment of £8,000 or £10,000 a year produce? Presumably there is still a good way to go before the marginal return would fall short of the marginal increase in expenditure.

Experience of the Metropolitan Boroughs' O & M scheme has brought to light one particular problem which may prove to be serious. At the end of its second year, three out of the four officers originally recruited resigned to take up positions with business consultants or in industry, and there is clearly a substantial risk that the local government O & M unit may become an important training ground (and a trial ground) for O & M staff for business and industry where they receive much higher rates of pay. It is no doubt desirable that the Metropolitan Boroughs' O & M unit should have a turnover of staff every few years, but a rate of turnover on the scale recently experienced must lead to serious losses of output and efficiency for the unit as a whole. Furthermore, it would be much better for the local government service if officers with several years' experience in O & M work could return to senior administrative positions in local government rather than be lost to industry and commerce.

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Bearing in mind the experience of the Metropolitan Boroughs, what are the possible forms of co-operative action among authorities outside the London County area? Broadly there are four:

(a) An organisation created by the Local Authority Associations jointly.

(b) Organisations set up by each of the Local Authority associations.

(c) County organisations serving the county council and the district councils within its borders.

(d) Joint *ad hoc* organisations formed in geographically convenient units.

(a) *A national (excluding London) organisation.* To develop a scheme on this scale would mean launching an enterprise of very great magnitude. It would have to set out to provide service for some hundreds of authorities within a reasonable period of time, and would need to employ a very large staff to do so. It would need powerful direction from the centre, which the associations acting in concert might not find it easy to provide. In order to avoid loss of staff time and to keep travelling and subsistence costs down it would be necessary to develop some form of regional or area organisation, and this would raise problems of co-ordination among the parts and of proper supervision from the centre. All told, the difficulties would be substantial, and the advantages over other possible schemes not very obvious.

(b) *The association-sponsored organisation.* Some of the problems inherent in one combined national scheme would be eliminated for this type of organisation. The scale of operations would not be so large, the direction of the organisation would be in the hands of an established body, and there would be a greater uniformity of function among the authorities to be served. The problem of geographical dispersion remains, however. Each of these organisations would have to operate throughout the country as a whole, and travelling costs, etc., would be high unless the organisation were designed with units operating locally, the difficulties arising from which have already been referred to.

(c) *The county organisation.* This arrangement would involve the establishment of an O & M unit by the county council, who would make it available to the district councils on request and on payment of a fee for services rendered. Collaboration would be between authorities that are familiar with one another, although there would generally be a great disparity between the size of the county administration and the district councils'. There is the further factor that some district councils might not be anxious to employ the county council as this might have the appearance of a surrender of autonomy. A possible alternative is a joint scheme operated by the county and the district councils in partnership, although there is no reason why such a scheme should be confined to the area of an administrative county.

(d) *The joint ad hoc organisation.* This will almost certainly provide the most satisfactory line of development. If organisations are formed covering convenient geographical areas the scale of operations will be kept to a manageable size and the costs of travelling and subsistence—a substantial

factor—kept to a minimum. Progress in this form of organisation must depend on the initiative of the few authorities in each area which are large, but not large enough to justify their own O & M unit. An attempt to make a scheme comprehensive in the initial stages could involve unnecessary complications. All that is needed to start with is the enthusiastic support of enough authorities to provide a reasonable volume of work to maintain a small O & M team. Once this has been established and has proved its worth, membership of the organisation can always be enlarged, if necessary.

As has already been mentioned, the Metropolitan Boroughs' O & M Committee was formed under powers conferred by a general Local Government Act, which are available to all types of local authority.

The City of Leicester have approached a number of other county boroughs in the Midlands with a view to forming a joint O & M organisation, and it is understood that several favourable replies have been received.

#### *The Hospital Service*

Hospital authorities have much the same basic characteristics as far as O & M is concerned as local authorities. Many of them are relatively small, and might not find it profitable to appoint a full-time O & M officer. Indeed, at the time of writing it is thought that no hospital authority employs O & M staff so designated. A number of authorities have shown interest in the Institute's Courses for Methods Officers, however, and by the end of the year seven or eight of them will have sent an officer on this course.

A number of investigations carried out in recent years by a variety of organisations may be said to have overlapped the field of O & M investigation, and it seems reasonable to assume that a service employing in England and Wales alone 380,000 staff, including 28,000 administrative and clerical staff, and spending over £250 million a year, could not fail to profit from the judicious use of O & M techniques.

In 1952 the Board of Governors of the Westminster Hospital invited the Treasury O & M Division to undertake a general investigation of the hospital's methods of internal organisation and management, and the Treasury agreed to do so as an experiment, in the same way as they had agreed to carry out an investigation for the City of Coventry. The Westminster Hospital investigation is still in progress. It covers not only the administrative and clerical processes used in the hospital, but also the out-patients' department, the catering, domestic and portering services, and the methods of co-ordination between the different hospital buildings which make up the whole organisation. This is the first investigation that the O & M Division has undertaken in the hospital field, and whatever its outcome, the Treasury will no doubt feel that they could carry out a more effective job with a deeper knowledge and a wider experience of hospital administration.

Over the past two or three years the Ministry of Health have sent Staff Inspection Teams round the country investigating the staffing standards adopted in the hospitals and in the offices of the Management Committees. Their prime purpose was to find out where staff provision was unnecessarily generous and to suggest reductions where possibilities of these appeared to exist. The teams which inspected the administrative and clerical staffing of Management Committees were each composed of a Staff Inspector of the

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Ministry and a Hospital Secretary. Those that inspected the domestic services were composed of a Ministry Staff Inspector, an expert on domestic work, and a catering expert. Other teams carried out a number of inspections of nursing staff provision, and some medical teams were formed to advise on the adequacy or otherwise of the provision of doctors and consultants in various hospitals.

As might be imagined, these teams, if they were to produce the most fruitful results, were not able to confine themselves to the question of staffing provision regardless of the forms of local organisation and work methods employed, and as they went from one hospital or Committee to another they were able to compare the efficiency of the different procedures in use, and to pass on suggestions for improvements in those instances where staff savings could clearly be secured by the adoption of revised systems. Each visit generally lasted, however, for only a few days or at most three or four weeks, and it was not possible for the teams to do more than draw attention to the most obvious opportunities for the introduction of more economical methods. The work of these Inspection Teams is now nearly completed, and it can probably be said that in the course of their primary job of assessing proper staff numbers and gradings they have gone over part of the ground that would have to be dealt with more thoroughly in O & M investigations.

Since the war a number of studies of hospital administration sponsored by King Edward's Hospital Fund for London and the Nuffield Provincial Hospitals' Trust have been somewhat akin to O & M investigations. In some instances, as with the Job-Analysis of the Work of Nurses in Hospital Wards sponsored by the Nuffield Provincial Hospitals' Trust, these studies have set out primarily to ascertain facts about existing practices rather than to suggest possible improvements in any detail. Nevertheless, the collection of facts is the first stage of the O & M investigation, and these studies support the view that the systematic investigation of the organisation of hospitals and hospital authorities and the work methods they employ is very desirable.

If O & M has a useful purpose to serve in the hospital service, how should it be developed? The following ways suggest themselves:

- (a) By the Ministry of Health.
- (b) By the Regional Hospital Boards.
- (c) By co-operative action :
  - (i) By the associations of hospital authorities ;
  - (ii) By *ad hoc* groups of authorities.

In considering these various possibilities it is desirable to bear in mind three factors. First, the number of people in positions of authority who must be convinced of the value of O & M before action can be taken. Second, the financial dependence of hospital authorities on the Ministry of Health. Third, the advisory function of the O & M unit, and the need for the O & M unit to enjoy the confidence of those whose work it is investigating.

*Ministry of Health O & M unit.* The organisation of an O & M service by the Ministry would have certain obvious advantages. The support of only a handful of people would be required—the Minister and his senior

officials—and the Ministry has a system of Regional offices on which units could be based. There would be a disadvantage in the Ministry taking the initiative, however, in that the O & M service could easily be taken as another device for securing tighter financial control, and confidence in the O & M unit as an adviser, pure and simple, to the Regional Hospital Board, Hospital Management Committee or Board of Governors might be difficult, if not impossible, to secure.

*The joint ad hoc organisation.* At the other extreme, the system of co-operative action by *ad hoc* groups of authorities, while eliminating any problem of confidence in the O & M unit as an adviser, and the fear of misuse of O & M for closer financial control, would require throughout the country the interest and support of very many people before effective action could be achieved on any large scale.

*The association-sponsored organisation.* So far as action by the associations is concerned, the formation of an O & M unit by the Teaching Hospitals' Association should be quite practicable. There are only 36 Boards of Governors of Teaching Hospitals, 26 of which are in London. These Boards comprise a manageable number, are similar in the nature of their work, and most of them are conveniently grouped so that travelling and subsistence costs should not be high. Together they should provide a good volume of work to occupy a small O & M team continuously.

The Association of Hospital Management Committees, on the other hand, has members in all parts of the country, and would experience the sort of difficulties that have been outlined in connection with the local authority associations.

*The Regional Hospital Board O & M unit.* Finally, there remain the Regional Hospital Boards, and they probably occupy a convenient mid-way position between the two extremes already described. Although controlling the Hospital Management Committees, they are themselves controlled by the Ministry, and they are not finally responsible for the financial provision made for the service as a whole and thus ultimately for the broad level of income of each H.M.C. Further, it would not require a very great number of people to be pro-O & M to enable a Regional Board to decide to establish a unit. Many of the Regions, although not all of them, would also provide convenient areas as far as travelling is concerned.

It must be admitted, of course, that an O & M unit might be regarded by the H.M.C.s as a method by which the R.H.B. could gain a closer control over establishments, and this possibility would have to be recognised and guarded against. It should be practicable, however, for the Regional Board to establish an O & M unit, to be responsible for supervising it "for discipline and rations," and to make it clear that the unit was responsible in an investigation of a particular hospital only for advising the H.M.C. concerned. Such an arrangement might require a degree of self-denial on the part of the R.H.B., but if it led to confidence in, and enthusiasm for, O & M in the H.M.C.s it would be well rewarded in the long run.

In a situation in which no one course is ideal, the establishment of O & M units by the Regional Boards probably represents as good a solution

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as any, always provided that the Boards clearly set out to make them advisory bodies, and not instruments of inspection. The annual cost of such units would probably vary from £5,000-£10,000 a year according to the size of the Region and, in relation to the annual expenditures of the Regional Boards in England and Wales ranging from £6 million to £30 million, this would represent a modest expenditure in relation to the scope for possible savings.

### *The Business Consultant*

Over the last few years a number of Local Authorities have engaged business consultants, and some of the leading firms have let it be known that they would be willing to undertake assignments in hospital authorities. When, as has been said above, there are many public authorities that are not large enough to maintain their own full-time O & M units, the question must be faced whether or not the business consultant could meet the requirements of these authorities, and so save them the trouble and expense of setting up their own joint organisations.

The general impression seems to be that the business consultant has not hitherto been conspicuously successful in the local government field. He has generally been much more extensively employed outside the public services than within them, and in consequence his main experience has been of industrial and commercial processes.

Whether or not the business consultant is familiar with local authorities' management methods and organisation structure, they undoubtedly present real problems for him. Particular differences from the business world which operate to his disadvantage are the following :

- (i) The existence of political factors in the governing council and its committees.
- (ii) The exercise by committees of elected representatives of responsibilities which within a business organisation are exercised by the general manager and departmental heads.
- (iii) External control by central government departments which may reduce considerably the local authority's freedom of action.

Quite often the commercial consultant's recommendations involve important questions affecting trade unions and, although the consultant takes great pains to secure the co-operation and goodwill of the unions, negotiations with trade unions in the public services sometimes present features that are not ordinarily encountered in the industrial world. The consultant is certainly not accustomed to the phenomenon he sometimes meets in local government of members of the governing body being trade union officials.

One or two firms of business consultants have recently recruited staff from the local government service, and it may be that, fortified with this first-hand experience, they will secure better results in the future than consultants have obtained in the past. Time will tell.

The fees charged by business consultants are substantial, being very often in the region of £500 per calendar month for each resident consultant, who will not necessarily work single-handed, but who will be helped on

particular aspects of the investigation by the company's specialists in those matters. From the figures quoted earlier for the Metropolitan Boroughs O & M unit, however, viz., about £6,000 a year for a unit of four officers, it will be seen that the average cost to the Metropolitan Boroughs of maintaining a team of two officers is £250 a month.

The business consultant's level of fees is set by the business world, where the direct commercial value of increased efficiency can often be clearly ascertained and where the fee paid may be substantially offset by the tax relief secured by charging the cost (quite legitimately) as a business expense. The level of remuneration of the business consultant's staffs is generally a good deal higher than that prevalent for comparable people in the public services, and it follows that, if the local authorities and the hospital authorities can provide their own O & M service with their own staffs, they should secure the help they need at a lower cost than by employing the business consultant. Here again, however, only practical experience will decide whether the business consultant can provide in the long run a better service, even at a higher price, than the smaller public authorities can themselves develop by co-operative action.

#### *O & M and Establishments Control*

The Treasury take the view that the O & M unit should be purely advisory, and that it should report to the departmental head concerned, who should decide as part of his management responsibility what action should be taken on the proposals that have been made. Sir Edward Bridges made this very clear in a recent address to a week-end conference of the Institute of Municipal Treasurers and Accountants when he said :

In passing, I might mention that we do not use our Organisation and Methods staff as staff inspectors or as part of our organisation to control numbers. If we were to do this, the result would be to discourage departments from inviting the help of the O & M staff. We find that the best value is got from this staff if the departments regard them as people whose experience in other fields they can tap to work out for themselves—with the help of their O & M friends—improvements in their own organisation, and I am sure that such success as the O & M staff have had is due to this approach.

In some public corporations and some local authorities, the functions of O & M and of staff inspection, i.e., the determination of staff numbers and gradings, are combined. Indeed, no less important an authority than the L.C.C. has recently decided to amalgamate O & M and staff inspection. The Report of a Reviewing Committee charged with a Review of the Department of the Clerk of the Council, issued in February, 1954, contained the following passage :

This division of work has arisen from the original conception that O & M work is advisory and is more likely to achieve success if it is divorced from all questions involving reducing staff complements. The latter "manpower economy" aspects hitherto have been separately considered by A (the staff inspection) Division. On the launching of

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the departmental review it was clear that this is based upon a distinction between O & M and staffing aspects which it is often exceedingly hard to maintain in practice and joint teams were accordingly arranged. Experience in the review has confirmed that the maintenance of two separate divisions for O & M and staffing results in some duplication of effort, and that there is now no advantage in maintaining this artificial separation of the two functions.

A further disadvantage of the present arrangements is that, whereas the O & M officers can work on a review less disturbed by the demands of other work, the field workers from A (the staff inspection) Division also have to examine day-to-day proposals from other departments, often at the expense of field work, to an undue extent.

The field officers from both divisions, on being asked, have almost all expressed the view that their examination could cover simultaneously the staffing and the O & M side, provided that they could refer particular problems to specialists in the divisions and provided that all officers had the opportunity of receiving O & M training. After full consideration we are of opinion that greater efficiency and a better deployment of staff could be achieved by integrating the O & M and staff inspection work. Under our proposals there would be two new sections, each being responsible for staffing, organisation and methods for about half the departments of the service. The specialist knowledge of certain O & M officers would be available to both sections as necessary, and the new sections would each be responsible for other assignments. Staff would be kept flexible between the two sections to facilitate any necessary concentration of resources on particular reviews.

In other local authorities O & M work is combined with establishment work generally, and this arrangement has some merit for authorities that are not large enough to support two officers of suitable quality and status to carry out each function separately. It is, however, fundamentally opposed to the central government practice which keeps O & M and establishment work separate, although making both of them the responsibility of the Director of Organisation and Establishments.

### *O & M Staff*

It is not easy to find the right men and women for O & M work, and only a small proportion of people have the required combination of aptitudes for it, a fact to which the Select Committee on Estimates drew attention in their Fifth Report for the Session, 1946-47.

Although it may be dangerous to generalise on the point, there seem to be developing two quite different policies in the staffing of O & M units in the public services. The central government practice is to train a man for O & M work and employ him on it for about five years, after which period he returns to the normal run of his career. Outside central government, however, some public authorities recruit staff who are already experienced and skilled in O & M work, and these officers may come to make their careers as O & M specialists, moving from one authority to another and gaining

higher status at each move. There are three reasons behind the central government's policy. First, there is danger of a man becoming stale if he stays on O & M work too long. Second, the O & M Branch cannot provide adequate long-term career prospects for men of the calibre required for O & M work. Third, it will be good for the management of government departments generally if those in the senior positions have O & M experience. This policy is facilitated in central government by the extensive use of general classes of employees, which is a fundamental basis of civil service staff policy.

Each of these methods of staffing O & M units is probably the product of its particular environment, and a comparative assessment of them would not be very fruitful. In any organisation in which there is a choice between these two methods, however, their relative merits need to be very carefully considered.

The possibility of central government recruiting O & M staff from the business world was discussed by the Select Committee on Estimates in 1946-47. It is doubtful, however, if the public services generally can obtain much help from that quarter. It is by no means certain that the proportion of good potential O & M officers in business is any higher than it is in the public services, and industry and commerce have their own demands for such human material. Further, as has already been indicated, current levels of pay of O & M staff suggest that the traffic will be heavier away from the public services to industry and commerce than in the opposite direction.

If, as has been argued, there is a great potential demand among the smaller public authorities for O & M service, the fact must be faced that at present there are not nearly enough trained and experienced O & M staff available to carry out the work involved, and the only way to solve this problem is to press on with the training of new staff. In the absence of such a policy there can be no rapid development of the use of O & M by the smaller public authorities.

#### *Training for O & M*

One of the greatest impediments to the development of O & M units outside central government in the past ten years has been the absence of training facilities. The Treasury O & M Division developed their own training section, and have admitted a number of trainees from local authorities, public corporations and overseas authorities. The Treasury have to meet large demands for the training of government officials, however, and they could not undertake the training of officials from outside the central government on any large scale. Further, their courses are designed on the basis of civil service procedures, and some of these, as well as the scale of operations on which many government departments have to work, are unfamiliar and of limited interest to officials from other branches of the public services.

As already mentioned, the Royal Institute of Public Administration now runs a three weeks' course for Methods Officers. This is held at the Institute's headquarters in London and consists of some thirty sessions covering the following main topics :

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1. The content of administration as a whole.
2. The theory of organisation.
3. Means of improving efficiency in the larger unit.
4. Methods of approaching and carrying out the O & M assignment
5. The scope for improving clerical processes.
6. Forms design.
7. Filing and correspondence.
8. Office machines.
9. Physical working conditions.
10. A practical exercise.

The lecturers are drawn from central government, viz., H.M. Treasury and the Ministry of Pensions and National Insurance; from the public corporations, viz., British Electricity Authority, British European Airways, London Transport Executive and South Eastern Electricity Board; from local authorities, viz., Hertfordshire County Council, London County Council and the Metropolitan Boroughs' O & M Committee; from firms of business consultants, viz., Messrs. S. J. Noel-Brown & Co. Ltd. and Messrs. Urwick, Orr and Partners; and from the Ford Motor Company Ltd.

The number of students on each course is limited to 15, and during each session they divide into groups of five for discussion of the subject under consideration. The practical exercise at the end of the course lasts two days. This involves participating in an actual investigation in a public authority and the writing of a report on the results of the investigation.

The Institute also arranges for the students who have taken this course to spend a further period in the O & M unit of another public authority, and in this way to gain further practical experience of the ways in which the O & M techniques they have learnt about are applied.

The fact that the lecturers are drawn from practically all the main branches of the public services and from industry, seems to the Institute to be a particularly valuable feature of this course. It can hardly fail to lead to a broadening of the student's outlook and to guard against the inbreeding of ideas.

This course provides the only publicly available full-time course in O & M in the United Kingdom, and its introduction has met with a wide response. The first course was held in March and two further courses arranged for 1954 are now full. A waiting list is being compiled for 1955.

The Institute's course touches only lightly on the organisational aspects of O & M work, and puts its main emphasis on the methods side. It does include, however, training in the basic techniques of carrying out an O & M assignment, and these apply equally to investigations of major problems of organisation and to the more humble investigations of office procedures and work methods. The course thus not only serves its prime purpose of training Methods Officers, but can also be of value in providing a useful basic training for recruits to the larger authority's O & M unit.

*Conclusion*

It is now clear that O & M has come to stay. Indeed, the administrative historian of the future may well regard it as one of the major administrative inventions, to rank with the introduction of open competitive examinations for recruitment, and the development of budgetary control and of financial audit in the quest for efficient and economical public administration. In seeking the benefits of O & M, the smaller public authorities, however, must overcome more difficult problems than those which confronted their bigger brothers, and they will need stronger determination and greater ingenuity to solve them. Their response to this challenge during the next few years will constitute a most important chapter in the history of O & M, and in the broader development of public administration.

*(Postscript)**O & M in the Hospital Service*

The Ministry of Health have decided to set up a small O & M unit to carry out some assignments experimentally for Regional Hospital Boards and Management Committees within the area "reasonably accessible from London."

Details of this scheme are announced in a Ministry Circular H.M. (54) 64 of 6th July, 1954. The Circular states that it is the Minister's view that until some practical experience has been acquired, no decision can be reached on whether there is a permanent need for an O & M service for hospital authorities and, if there is, on what its size, scope and organisation should be. It seems to the Minister, however, that an experiment should be made.

The Circular makes it clear that the new service will be advisory to the hospital authorities. The initiative in suggesting investigations will rest with the authorities and the investigating officers will report to them and not to the Minister. It will be for the authorities themselves to decide what action should be taken when an investigation has been completed and the report on it has been submitted to them.

No charge will be made to hospital authorities for the use of the service.

The Circular states that it may be decided to undertake comparative studies of particular topics, the same topic being examined—if the hospital authorities concerned all agree—in a number of different hospitals. It should then be possible for the Ministry from time to time to prepare memoranda containing any conclusions of general interest that have been reached by the investigators as a result of the individual studies, and to circulate these memoranda to all hospital authorities, thereby spreading the benefit of the investigations over the widest possible area.

## Administrative Justice

By LORD COOPER

*A lecture by the Lord Justice General of Scotland and Lord President of the Court of Session given to the Edinburgh Group on 26th March, 1954.*

WHEN I was a law student long ago I was taught the then current view that the stability of the British and American constitutions rested upon the separation of the powers of the three great organs of government—the Legislature, the Judicature and the Executive—or, at least, upon a carefully adjusted balance between them. It was essential to the working of a Parliamentary democracy, so we were assured, that this “separation of powers” should be maintained. The rule was regarded as axiomatic and fundamental, and it had been so regarded on both sides of the Atlantic for a century and a half.

That, as I say, was long ago; and since then we have learned a lot. Early in the present century the excessive availability of the common law courts as a check upon the Executive resulted, especially in the United States, in a threatened paralysis of administration; and the pendulum began to swing. With the unhappy tendency of all pendulums, it swung too far—stimulated by the First World War, when private rights were almost totally submerged beneath the national necessity, and later by that social and political transformation of which most of us have been eye-witnesses, and of which the prime characteristic has been an enormous expansion in the functions of the State. Since the Second World War the pendulum has oscillated about a position very far removed from that defined by the classical constitutional theory of the 18th and 19th centuries, and a growing demand has arisen for a new position of stability, a demand which comes from several different sections of the community, and which is even more vocal in America than here.

What is the problem? Stated in its simplest form it has arisen thus. Private law (in the sense of the system of rules which regulate the normal relations of citizen and citizen) has been receding all along the line by comparison with public law (in the sense of the system of rules—if system is not too flattering a word—which determines the rights and duties of public authorities *inter se*, or in a question with individual citizens); in that situation the question which is being asked is: “By what agency, and subject to what conditions, should decisions be given in controversies arising under public law between citizens and some organ of the executive, central or local?” Fifty years ago that question was one which could hardly be asked, for the situation rarely arose. Today it is being asked repeatedly, and is being eagerly canvassed by the academic jurists of two continents. For myself the question has a special interest, for during the last 40 years or so I have had the privilege (denied, I imagine, to everyone else in this room) of being at different times a member of all three organs of government—the Legislature, the Judicature and the Executive, both on the Ministerial and the official level; for let me reveal to you that I was once a civil servant, and, as John Bunyan would say, but for the grace of God I might have been a civil servant yet! Anyhow, I have seen the problem from every possible angle; I have

successively acquired and discarded the peculiar prejudices associated with all three organs of government; and, though I have ended up as a judge, I have been at that long enough to be free from any tendency to proclaim that "there is nothing like leather."

I intend to be severely practical in my discussion and suggestions, but before I part company with the theorists, to whose detached study of these problems we owe a great deal, let me borrow from their sphere two general propositions.

(1) The first is this. Excessive concentration of arbitrary power in any of the three organs of government will produce for a time the reality of a semblance of increased efficiency, but in the long run, will inevitably prove disastrous. Montesquieu taught that in the 18th century. Acton taught it in the 19th, in his famous aphorism that "power always corrupts and absolute power corrupts absolutely." The American constitution is a running commentary upon that text; and the collapse of the Nazi and Fascist regimes is a recent demonstration of its truth. It seems that in Western civilisation of the present time humanity is so constituted that a system of checks and balances guaranteeing the supremacy of the rule of law is indispensable to any permanent system of government, and we have got to recognise that fact as a condition of the problem of administration. Despotism, however benevolent, will not be tolerated long. During the last few decades the citizen has been stripped of much of the protection against arbitrary government on which he had come to rely—mainly by the central government, partly by local authorities exercising delegated powers, and partly by those public corporations which only differ from the central government in being in some measure accountable to nobody for what they do or leave undone. In the last war the threat was of course redoubled. The high-water mark was probably reached in Defence Regulation 18B, as interpreted in the case of *Liversidge v. Anderson*; and that is a chapter in our constitutional history on which we shall yet look back with very mixed feelings.

(2) The second general proposition is this. While some issues are clearly appropriate for judicial determination in the ordinary courts of the country, others are just as clearly inappropriate, while many are on the border line. With all respect to the memory of the late Lord Hewart, I think that it is now generally accepted that certain areas of territory once sacrosanct to the lawyers have rightly passed beyond their ken. Judicial methods have many admirable qualities, but in the field of administrative law they have certain undeniable drawbacks—for they are necessarily cautious, leisurely, meticulous and costly, and tend to magnify consistency and uniformity to an undue degree.

If we had tidy minds, like the French, we should not have drifted blindly into the position we now occupy. We should have set up a hierarchy of administrative tribunals, prescribed the issues over which they should have jurisdiction, clothed them with the necessary powers, and defined the conditions under which they should work. There is nothing unduly difficult

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about that, for models exist in successful operation. But that is not the British way. The topic is one which has small publicity value and therefore makes little appeal to politicians—I know for I was once one myself: and so Parliament gave a free hand to half a hundred draftsmen and departmental solicitors to produce whatever appealed to their taste and fancy, with the result that delegated judicial powers have been conferred upon all sorts of authorities from Ministers downwards in such terms as sometimes wholly to exclude examination or review of any kind; sometimes so as to permit examination of their *vires*; sometimes so as to allow of a limited appeal on questions of law; and sometimes so as to permit of an open appeal. There are all possible permutations and combinations of these variants, and when a case of this kind does reach the courts much time has usually to be expended in discovering how much room, if any, the courts have in which to move.

The protests against this unsystematic encroachment upon traditional principles have come from three quarters: the courts; the public; and the constitutional experts, here and in the United States. I am not concerned with the first of these protests tonight, for though the sense of indignation still smoulders, the fire has died down. It is far other with the second and third classes of protest, for they are of a type which no Government can indefinitely ignore while paying lip service to the "Western way of life," and eschewing totalitarian principles. Now I do not wish to be merely descriptive or merely critical. Equally I do not wish to engage in framing a long-term programme or in Utopian constitution making. What I wish to do is to lay before you a short-term policy, designed to keep the wheels greased and turning over with the maximum of benefit to the community and the minimum of just annoyance to the individual. After all that is what we are all for, and what we all wish to see.

To begin with, let us rid our minds of cant, by ruling out two answers often given to the critics of the present system. The first is the common argument that all decisions of the Executive are the decisions of a Minister, answerable to the High Court of Parliament, who, until he is successfully challenged there, must be credited with more than Papal infallibility. Whatever some may think or be induced by a sublime act of faith to believe, you and I know better. In 99 cases out of 100 the decision is a decision of departmental officials; and, if the Minister knows anything about it, which he may not, all he knows is derived from a departmental brief provided *ex post facto* to coach him in answering "supplementaries" or in replying to a debate on the adjournment. There is no harm in this so long as it is understood that the Minister is normally the mere mouthpiece of his officials. But as an effective safeguard to an aggrieved individual, a Parliamentary challenge is worth next to nothing, and we may as well admit it.

The second official answer, more often made about delegated legislation than delegated judicial powers, is that the objectionable instrument has been laid on the Table of the House subject to a negative (or occasionally a positive) resolution. I shall not say that that safeguard never works, for I have seen it working; but in most cases it is nothing but a legal fiction to suggest that instruments which have run the gamut of that procedure embody the considered wisdom of a majority of the House of Commons. We shall never get away with that.

Putting these virtual pretences aside, let us come to positive, constructive ideas. Some of them you will not like, but they will do you good and, if adopted, will save us all infinite trouble in the long run. They are all illustrations of one golden rule with which every professional judge strives to comply, however imperfect his efforts may be, *that it is not enough that justice should be done unless justice is seen to be done*. "Justice visibly done"—that is the ideal. No one should ever be allowed to leave any tribunal with a sense that he has not had a fair run, or with a diminished respect for the law and for those who administer it.

How is this to be achieved in practice by administrative tribunals? Chiefly, I maintain, by deliberate action to eliminate the prime vice of all administrative decisions—their *inscrutability*, or, as the American jurists say, their *incognisability*. Let me explain. In the ordinary run of executive work it is second nature to the administrative officer to preserve strict confidentiality and to keep his counsel until a decision is announced by his Minister in a statement in the House or in a White Paper or at a press conference or otherwise. On the other hand, in conducting a judicial process it is second nature to a judge to insist on all the cards being laid face upwards upon the table; to proceed at every stage in strict conformity with established methods of procedure and accepted principles of evidence; and to submit the reasons for his every decision to the scrutiny and criticism not only of the parties and of the public but of a trained profession, jealous of the purity of the law, and often of an appellate tribunal, the reasons being embodied in all important cases in the published reports which crowd our shelves. This is a very powerful and exacting discipline, for it compels the judge to treat every problem in a spirit of complete detachment and objectivity. He has no axe to grind. The civil servant acting as judge is normally a specialist, who naturally tends to see everything from the angle of the policy which he is striving to carry into practice, and who genuinely believes that that policy is in the general good. In that sense he has an official axe to grind and is constantly exposed to the temptation, from which the judge is free, to adopt the perilous doctrine that the end justifies the means.

Hence it is that the complaints have arisen—complaints that the tribunals are not truly disinterested; complaints that established methods of procedure have been replaced by an arbitrary and indefinable discretion; complaints that a party has not been allowed to know the whole case against him, or to test that case by cross-examination; complaints that a party has not been afforded a full opportunity of answering that case; complaints that reports by persons appointed to conduct an investigation have not been made available to him for comment, criticism or answer; complaints that the grounds of the decision have been withheld; and complaints of the delays inseparable from departmental methods of handling business, and often excusable and unavoidable.

These are not imaginary complaints. I have encountered them all in practice, some of them again and again; and the identical complaints are being made in the United States. The distempers of officialdom present the same symptoms wherever officials are found. I shall give you two quite recent examples. In one an enquiry was conducted by an official of a department, and the decision was promulgated without reasons assigned by

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another official of the same department, in a dispute in which one party was a body partially controlled and financed by that very department ; and the decision was in favour of the body in which the department was interested. Do you wonder that such a proceeding should be attacked and should attract unfavourable comment in court ? In another case the so-called public enquiry was conducted by an independent person, but his report was never published ; and, despite two parliamentary questions, it was not until eight months after the receipt of the report that the decision was announced. I care not what was the reason for the delay ; the fact of such delay coupled with the silence in which the whole proceedings were enshrouded, needlessly shakes public confidence in the system. These are examples of how not to do it.

To come down to details, there ought always to be available to the subject a right of resort to the ordinary courts in at least two situations :

(1) If the administrative tribunal has exceeded or misinterpreted its powers, or proceeded upon a demonstrably erroneous basis or by reference to inadmissible considerations, the courts must be free to intervene in order to set aside proceedings which, if open to these objections, are fundamentally misconceived. Only the Kremlin could object to that right, for its refusal would be an assertion of arbitrary government.

(2) There ought always to be available to the aggrieved party a right of resort to the courts for an appropriate remedy whenever there has occurred in the course of the proceedings before an administrative tribunal an infringement of what are universally recognised as "the principles of natural justice"—for instance, if a party were denied a hearing ; or if one party were heard in the absence of the other ; or if the decision rested to any material extent upon facts obtained behind the backs of both parties.

These are only examples, and they are not by any means exhaustive. No claim is made in such cases that the court should review the decision of the administrative tribunal on its merits, or that the court should substitute its own decision least of all on matters of discretion or administrative policy, for the decision of the tribunal. What is involved is that the proceedings should be liable to judicial scrutiny from the standpoint of the fairness of the methods employed by the administrative tribunal in conducting the enquiry into the dispute and reaching a decision.

I referred a moment ago to the refusal of the right to cross-examine adverse witnesses, whether experts or official witnesses to policy. That practice I condemn as the thin edge of the totalitarian wedge, and the encouragement of half-truths. The evidence of a witness who requires to be protected from the test of cross-examination is worth very little as evidence, and amounts to nothing more than official propaganda for the benefit of the press. The Public Relations people ought to deal with such a pronouncement. It ought never to be permitted to form any part of the material for a judicial or quasi-judicial pronouncement.

I also suggest that when a remit is made to a person to conduct a so-called "public" enquiry, that report should always be made available to the parties

for their comments before action is taken upon it. Remember this. For centuries, it has been customary, not only in Scotland but in many other countries, for the award of an ordinary arbiter to be embodied in "proposed findings" which are submitted to the parties for their comments, oral or in writing, before the operative award is issued. Why not? Errors or omissions may be pointed out, and in any event justice visibly done and not inscrutability is the target to be aimed at. If the reporter has embodied something in his report which he or the Department are afraid to reveal to the parties, so much the worse is his report as the basis of a decision.

Again, there are a few provisions in which the zeal of the draftsman has found expression in an instruction to tribunals that they may proceed on evidence less than would be required in a court of law. What does that mean? It was Mr. Justice Stareleigh who laid down in *Pickwick Papers* the self-evident proposition that "what the soldier said is not evidence." Are we to add as a corollary that "what the soldier said" shall be evidence before an administrative tribunal? The basic rules of evidence are very few and very simple, and they represent the accumulated wisdom and experience of generations engaged in the search for truth. If a fact is essential to any judicial or quasi-judicial decision, that fact should either be proved in accordance with these simple basic principles, or else it is not proved, and that is an end of the matter.

Lastly, it is well known that every now and then in the course of administrative judicial proceedings there arises a pure question of law, and often a difficult one at that. Whenever that happens I should like to see a general power in the tribunal to state a case for the opinion of the court, and a duty on them to do so on the requisition of either party. After all if our courts are worth maintaining at all, surely they are the proper tribunal for deciding such points of pure law. Provisions of this type already exist in many statutes, and they work very well. They ought to be standardised. All the court does in such cases is simply to answer the question of law with a reasoned opinion, and with that answer and its reason to remit to the tribunal to proceed with its work. That is the proper business of the courts, in addition to the wider duty already referred to of standing in the background to see fair play and if need be to penalise obstruction and award a free kick or even stop the game.

What I have been trying to do is to suggest certain minimum requirements with which every administrative tribunal could easily comply within the framework of the mass of the existing legislation. If these requirements are complied with, justice will be visibly done in a sense in which that statement cannot be made at present, and I am confident that with these simple precautions the complaints would very largely vanish, and that not one case in a hundred would ever reach the courts. If they are not complied with, and if the authorities yield to the temptation to indulge in inscrutable, oracular pronouncements affecting the private rights of citizens, it will only be a matter of time until we shall have to adopt something like the French system of *droit administratif* or else—what is more probable—Parliament will be forced by the pressure of public opinion and professional protest to retrace its steps, and the pendulum will swing back once again to its position at the beginning of the twentieth century. Such in brief outline is the short-term

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programme which I commend for your consideration. The person who has to be catered for, and whose reactions must be carefully watched in the interests of the state, is "the man in the street"; and it is notorious that the "man in the street" distrusts and dislikes both what he calls "the legal mind" and also what he calls "the official mind," these terms being used by him to describe what he regards as different manifestations of incipient ossification of the brain. Both habits of mind have their virtues and their defects, and our aim should be to combine in this field the characteristic virtues of both and to eliminate the characteristic defects of both. Much, I am sure, could be done to achieve that end by the adoption of the expedients I have suggested—above all deliberately discarding the obscurantism which disfigures many of the efforts of the Executive to discharge as amateurs judicial functions.

# **Management Accounting for Public Administration**

By LAWRENCE W. ROBSON, F.C.A., F.C.W.A.

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## *Introduction*

IT gives me great pleasure to discuss the place of management accounting in the field of public administration, because I hold the firm belief that management accounting has an important contribution to make to the economic well-being of this country, including that large slice comprised in those activities defined as public services.

The accountability of public bodies is assuming an ever-increasing importance with the growth in size and scope of these bodies, and it is being increasingly accepted that accountability means something more than the containment of expenditure within the bounds of voted funds. It calls for proof of the production of satisfactory services at the lowest cost.

It seems to me that there is bound to be a growing impetus to the swing away from the earlier conception of sanctioned funds and yearly estimates based on previous years plus a little something for increased wages and material costs. The need is for a sharper tool of control in the form of operating budgets, and standards developed on similar lines to those used in industrial and commercial concerns to ensure effective management of public bodies.

My intention is firstly to outline briefly the general conception of management accounting and then to consider its applications in the public services.

## *Management Accounting in General Terms*

Much has been said and written about management accounting in recent years so that it is probable that most people have at least a fair idea of what it is all about. But it is probably worth while at this time to restate the guiding principles for consideration in the context of our subject.

Management accounting may be described as a comprehensive scheme for reporting on all the activities of a concern in line with certain established budgets and standards to provide effective information at frequent and regular intervals for all levels of managerial and policy-making responsibility.

Although other techniques are comprised within the general definition, the core of management accounting clearly lies in a sound scheme of budgetary control developing into a complete or partial set of standard costs.

The main steps involved in setting up such a scheme may be stated briefly as follows :

(a) *Setting budgets and standards*

(i) Decide on the sections of an undertaking to be treated as centres

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for the exercise of control through budgets—these sections must be clearly delineated as being under one person's authority and responsibility.

(ii) Determine the appropriate unit of output or service in each case.

(iii) Assess the expected or required level of output or standard of service.

(iv) Set up standards for the rate of output—that is the amount of output expected in a given time.

(v) Prepare budgets for all the expenditure necessary to achieve the output required.

(vi) Allocate general expenditure not specific to any one section to the operating sections on an equitable basis.

(vii) Bring together the budgeted output and expense for each section to obtain a cost rate for the agreed unit of output.

(viii) Specify the materials and processes for each product and by applying the appropriate cost rates and material prices construct a standard or predetermined cost in each case.

### (b) Recording actuals

(i) Set up a code of accounts to ensure correct classification for strict comparability with the budgets.

(ii) Record in each section the physical output and the actual time absorbed in achieving the output.

(iii) Record actual expenditure against the appropriate section and classify under the accounts code.

### (c) Comparisons

(i) Compare the actual output in terms of the agreed unit with the expected output or unit of service.

(ii) Compute the expenditure that should have been incurred to produce the actual output, i.e., adjust the basic budget for variable or semi-variable expenses in line with output or other agreed factors.

(iii) Compare the computed expenditure with the actual amounts incurred.

### (d) Presenting information

Set out the results of these comparisons in a logical and readable manner, having always in mind the concepts of "pyramid presentation" and "control by exception."

I think you will agree that basically the steps involved in such a scheme are simple and straightforward enough, though their application in particular circumstances may call for a considerable degree of technical skill.

It is perhaps hardly necessary to repeat the now well-known advantages to be derived from the introduction of a budgetary control scheme, and I have thought it possibly more helpful to indicate the main steps involved.

*Fixing Responsibility for Expense*

However, it may be of interest to stress one or two features that are not always appreciated but which can be quite potent factors in achieving improved results in an organisation.

The process of considering and deciding on the clearly defined management divisions for budgeting has the inevitable effect of bringing to light gaps or overlapping situations in the management structure, as a control scheme cannot operate successfully without a very clear delineation of responsibility, together with an equally clear delegation of the required authority. It is a common experience to find quite striking anomalies in the lines of organisation, and whilst it is true that personalities can sometimes be effective in spite of a lack of clarity in the structure, it is generally found that tidying up the lines of responsibility and authority is followed by a marked increase in the effectiveness of management and a reduction of friction between people who were not clear as to their precise relationships.

The detailed investigations and forward thinking that are implicit in the budgeting process frequently lead to a reconsideration of operating methods or of general policy with lasting benefit to an organisation. Indeed, it has been said with some truth that considerable advantage can be derived merely from this budgeting process, though naturally the subsequent use of these budgets as an instrument of control is the ultimate aim.

A more subtle feature, but one which may in the long run have a marked influence on the general well-being of an organisation, is the increasing degree of co-operation and co-ordination which is bound to follow when managers, technicians and accountants get together, as they must do, to set the framework and fill in the details for a budgetary control scheme. If a scheme is to be effective, the initial co-operation at the budgeting stage must be continued and developed through regular meetings at which operating results are discussed with frankness and a genuine desire to improve matters. Quite astonishing results can follow from such discussions once the people concerned understand one another's language and outlook, since under those conditions it is possible for decisions to be reached through what Mary Parker Follett called "the law of the situation."

It will probably be agreed that all of these features are just as appropriate to the operation of any kind of public service as in other types of enterprise.

*Applications of Management Accounting in the Field of Public Service*

Although the modern form of budgetary control undoubtedly stemmed from the original conception of a governmental budget, i.e., a forecast sum of money, its underlying principles are now far removed from the older form.

Government and other budgets are produced primarily to form the basis for a levy on individuals and corporate bodies, and are of little value for purposes of management, while the type of budget we want to consider here is essentially designed to be an instrument of management.

The motives for control of costs in a public service are different from those that hold sway in a commercial undertaking. In the former, the profit motive, so all-compelling in the latter, is absent, but there can be no doubt

about the need for greater efficiency to reduce the burden of contribution by the public. The necessity for providing adequate service may overlay consideration of the total cost, but there can never be any excuse for failing to be cost-conscious about the relation between the results achieved and the administrative costs of achieving these results.

The kind of information necessary for successful operation, and that is also possible of attainment, will vary somewhat with the type of service concerned, and it seems that the main types may comprise the following categories :

(a) Government departments or other agencies that buy and sell commodities.

(b) A manufacturing business run by a local authority, e.g., joinery works for housing projects ; body building for a municipal transport undertaking.

(c) A service, e.g., public transport, which has its own direct revenue, and aims, taking one year with another, to break even.

(d) A service which is financed out of public funds raised by levy and which is utilised by all sections of the population, e.g., collection of domestic refuse.

(e) A service which is publicly financed, but which is utilised by only a section of the population, e.g., public libraries.

(f) Internal service departments, e.g., maintenance of transport which provide a service for a main operating department of the authority in question.

It is surely true that in certain cases, notably in (b) and (c) above, the arrangements for control through management accounting will be exactly the same as for a commercial undertaking—it is not the considerations of ownership or finance which primarily govern the type of accounting to be used, but the character of the enterprise.

However, in many types of undertaking it would clearly be foolish to attempt to apply a full scheme of budgetary control and standard costs, and we have to consider how best to make use of some of the techniques to provide a useful management tool. We are assisted in these attempts because it is a fundamental of standard costing that the emphasis is on the cost of a process or service and not on the unit cost of the final product, though this naturally follows by a process of "building block" construction. It follows, therefore, that the best line of approach in many sectors of public administration is to take the constituent functions and to set up performance standards and related costs for each of them.

There is a vital difference in mental outlook between budgeting for next year's expenditure by reference to current spending plus a safety "cushion" and the establishment of the real work load to be met at a predetermined standard unit cost for that work to give the budgeted service required.

In the latter approach there are four steps involved :

(a) Determine the expected demand for the service to be produced, expressed in the appropriate unit of output, e.g., one of the functions of a streets department is to keep the roads swept. In this case the unit of output could be per " mile of road swept," and the expected demand for the service would be established by reference to :

(i) The agreed standard of cleanliness calling for, say, one sweeping every four weeks modified for special seasonal effects such as autumn, when the leaf problem required more frequent effort in certain streets.

(ii) The total miles of streets to be swept, anticipating in the estimate roads to be added during the coming year.

(b) Determine the labour force and equipment needed to carry out the expected amount of work. In order to do this it is necessary to :

(i) Decide on the best available methods of doing the job and the equipment required (subject always to restrictions on capital expenditure).

(ii) Establish performance standards for the various methods adopted to tackle different sections of the work—these standards should be carefully set up so as to eliminate any wasteful practices that may have existed and should constitute a task aim that will call forth a good effort from all concerned without being so elevated as to seem impossible of achievement.

(c) Set up budgets, under appropriate headings, which are clearly defined, to cover all the expenditures required to equip and maintain the agreed establishment. Budget headings can be in as much detail as may be desired, but as a minimum it is suggested that these should distinguish between : labour ; materials and supplies ; equipment repairs ; overhead expenses (administrative, clerical, etc.) ; and depreciation. If these budgets are to be of real use in managing the department it is essential that they should be flexible budgets and that in setting them up considerable thought should be given to the manner in which any item of expenditure may be expected to behave if the amount of output is less or more than the anticipated figure. It may be that the expenditure should vary precisely in conformity with the volume of output or units of service achieved, or that within a wide range of output it remains the same, or that its behaviour lies between these two extremes—each item has to be studied most carefully before a decision is reached.

(d) Bring together the expected output or units of service and the budgeted cost of that output to compute a predetermined unit cost for the service to be provided. As a result of this process we now have a set of figures that serve several vital purposes :

(i) It provides a sound basis on which to go forward and ask

for funds to be appropriated in order to provide the service.

(ii) It establishes standards of performance and expenditure against which to compare actual events as recorded in ensuing periods so that off-standard working may be corrected as far as possible.

(iii) It more readily enables comparisons to be made for like services in other departments or in other geographical locations in the same department, since the structure of the unit cost is clearly set out.

If, in addition, each set of standards is visualised as having the words "this can be improved" written boldly across the sheet, then the figures will be a constant challenge to the managers to attack methods and expenditures to find that cost reduction which is always there for those who are prepared to make the effort.

#### *Control by Exception*

Once the budgets are set up and the necessary accounting arrangements made to provide periodic summaries of physical performance and actual expenditures, it is possible to produce statements that show up the significant features of the department's operations—the method of arriving at these figures is an accounting function and the details need not concern us here.

These performance reports will set out the work units accomplished, multiplied by the standard unit cost to give the total standard cost of each function as compared with the actual cost of operations. Variances from expectation will be segregated under such headings as: material prices; efficiency; volume and expenditure.

Before such reports are presented, the variances will be investigated to find the root causes which will lead to suggestions for remedial action.

The really vital part of the whole scheme of things now emerges—the need for having a formal and forcefully directed programme for studying results and taking action accordingly.

#### *Information a Basis for Action*

The essentials are :

(a) Regular and prompt consideration of the operating statements—regularity to avoid this study being swamped by other calls on executives' time, and promptness to enable discussions to be held while facts are fresh in the minds of all, and to enable corrective actions to be taken without expensive delay.

(b) Procedures designed to get action to correct poor results or to consolidate favourable trends. There must be absolutely clear allocation of responsibility for action and an adequate follow-up to see that it is taken.

(c) A responsible and balanced manner of handling the operating results, whereby the statements are issued firstly to the sectional managers

"down the line" so that they can make their inquiries before being called upon to answer for the results, and in which there is avoided the "post-mortem" atmosphere in which scapegoats are sought and blame heavily laid on.

(d) Prevention of boredom through familiarity by selection of special features from time to time for a concerted attack instead of ploughing regularly through all the details.

(e) The elimination from statements presented to supervisors at various levels of those factors over which they can have no control, so that attention is focused on the area of their real authority and responsibility.

I should like particularly to stress the point that budgets and standards are, or should be, dynamic, and that the not uncommonly expressed view that a control scheme limits flexibility of action is quite false to the atmosphere of a properly run scheme.

Discussion of results in management meetings is concerned not only with deviations from the agreed budgets and standards, but also with inquiry into the standards themselves in a constantly questioning manner, to find improved methods and even better control.

It is especially important from this point of view and from the general management angle to see that costs due to high-level policy decisions are segregated so as to allow normal trends to stand out clearly.

#### *Cost Reduction*

A very useful device in this connection is to set up a "cost reduction committee" comprising the top administrators, technical superintendents and a financial or budget officer.

This may be an offshoot from an already established budget committee or a separate entity, but in any case it should be invested with the authority to inquire into any department's procedures and costs and to suggest and develop improved methods and devices for reducing costs. It may be necessary to establish a methods and systems section to make detailed studies of work loads, methods, equipment and staffing for the establishment of sound standards.

A frequently raised objection to the introduction of a budgetary control scheme is that the existing accounting analysis differs in form from that required to operate the control scheme. This arises because the well-established form of accounts usually groups expenditure under subjective headings, while the essence of the more modern techniques is their emphasis on functions and responsibilities. It is, of course, a valid objection if it is only the work involved in making a change that is considered—however, it must surely be admitted that the statutory or commonly used form of accounts is practically useless as an aid to management, and that a regrouping of the actual figures, even without budgets for comparison, would by itself bring advantages in day-to-day use

of the figures. One of the first steps in setting up a scheme, therefore, is the creation or extension of an accounting code that will permit of the collection of expenditures against operating departments (either directly producing the final product or indirectly contributing a service to keep the producer's department in being), and under those classifications of expense that are to be used in developing budgets.

There are various methods of dealing with the standards and actual figures in the accounting records of the organisation, but we will not deal with these here—they can safely be left to the financial staff.

It may be of interest to note a fairly recent development in the financing and operating methods being adopted for certain sections of the U.S.A. Defense Departments.

In a recent article by Melvin A. Zucker, in the *N.A.C.A. Bulletin*, attention is drawn to the operation of "industrial funds" established under 1947 legislation whereby a revolving fund is set up to finance the payment of operating costs and is reimbursed through the prices charged for the products or services rendered to its customers who normally are other Government departments. It is considered that prices established on the basis of production costs, and the budgeting of customer departments' requirements on the basis of these prices, show whether the operating results of an activity are good or bad, and will lead eventually to the development of a performance type budget for the Department of Defense as a whole. Specific examples of substantial savings are quoted as a result of the combined efforts of the provider and the user of the service working to budgets and making real efforts to keep costs down and to obtain value for money spent.

#### Work Standards

In addition to routine operations, public bodies are concerned from time to time in capital projects of one kind or another, and while the arrangements for the control of such expenditure within the sanctioned sum are well known and established, the use of work standards in this connection may be worthy of note. Test studies and accumulated data over many such projects may enable the supervisors of such work to establish work standards of high accuracy for many of the elements and operations involved, and these standards, when allied to current wage rates and material prices, will be of great assistance in achieving reliable figures for the sanctioning of funds as well as a yard-stick against which to measure the actual performance and cost achieved.

There are other cases in which performance budgets and standard costs may usefully be applied to certain sections of a department's work even though they may not be readily applicable to the whole—for example, in office functions. Some careful studies followed by the setting of standards for the routine office processes provide a considerable degree of control and throw up anomalies in loading and staffing that otherwise would remain as an unseen drag on effectiveness, and therefore a cause of excessively high costs.

Once the right mental attitude has been developed through an initial application of budgetary control and work standards to some part of an authority's work, it will be found that numerous other applications will suggest themselves, and many examples could be discussed in a longer paper.

*Conclusion*

I have endeavoured to set out my views on the concept of management accounting as applied in public administration and to indicate some of the benefits, both directly seen and others, less tangible, but equally significant, that may arise from the adoption of the best available practice.

I hope also that I have managed to convey to you my own strong belief that along the lines I have indicated may be found the answers to some of our present-day problems in controlling effectively the organisations in the field of public administration.

It is, of course, not my intention to leave the impression that nothing is being done already on these lines in public authorities. The best of these, as in the best of the commercial and industrial undertakings in this country, already make use of modern techniques in control, but I am convinced that there are a very large number of organisations in the public administration field that have as yet barely scratched the surface on these matters.

The trend recently has been for an ever-growing slice of the nation's spending to be handled through public bodies of one kind or another. This factor, when allied to the very high tax rates borne by the populace and the change in the commercial climate from a sellers' to a buyers' market, surely means that more and more will the taxpayer seek assurance that his money is being spent effectively.

Intelligent action can proceed only from a clear appreciation of the factors in any situation, and I am convinced that management accounting in the realm of public administration has a vital part to play in maintaining and improving our standard of living.

# Payment for Political and Public Service

By HILDA R. KAHN

*This article surveys the remuneration of national and local politicians and of the members of the Boards of certain Public Corporations. It is part of a general survey being made by Miss Kahn of Bedford College for the purpose of a Ph.D. dissertation.*

## MEMBERS OF PARLIAMENT

PAYMENT to Members of Parliament at the rate of £400 per annum was introduced in 1911 although, we are told,<sup>1</sup> this was merely the return to a tradition current from the time when Edward I instituted Parliament until late in the 17th century. There was no change in parliamentary remuneration during the period 1911-1931,<sup>2</sup> but in the latter year—the time of the financial crisis—the salary was reduced to £360. It was subsequently restored by stages and in 1937 was raised to £600 per annum, at which figure it remained throughout the war.

Like most of their constituents, M.P.s had a rise in the early post-war period. In March, 1946, a Select Committee "appointed to consider the expenses incurred in connection with their parliamentary and official duties by Members . . ." issued their Report,<sup>3</sup> their major recommendation being that the parliamentary salary should be raised to £1,000 per annum, of which £500 was to constitute an automatically tax-free expense allowance. In framing their recommendations, the Committee made clear that they did not regard the sum to be paid to a Member as a professional salary. They pointed out that, though a Member may be called upon to devote a great deal of time to the business of the House, he had complete freedom to allot his time between his parliamentary duties and his personal affairs, and added that "it would be most unwise to take this freedom from him by paying such a figure as would unequivocally demand his full time in return." They therefore reiterated the principle first laid down by Lloyd George when he introduced the payment of Members in 1911 that the sum must suffice to enable the M.P. "to maintain himself comfortably and honourably, but not luxuriously"; in addition, a Member should be allowed his reasonable expenses "wholly, necessarily and exclusively incurred in the performance of his duties."

The Government accepted the Select Committee's recommendations in substance, and on 30th April, 1946, the Chancellor of the Exchequer announced that the Government proposed that, with effect from 1st April, 1946, every Member other than a Minister, Junior Minister or officer of the House, should in future be entitled to a salary of £1,000 a year in place of £600, but that there should be no change in the present procedure for claiming relief from income tax in respect of expenses.<sup>4</sup> This question of M.P.s' expenses is a thorny one. Members are granted certain privileges such as free first-class travel by rail, sea or air between home, constituency and Westminster<sup>5</sup> and free telephone services (local calls only) at the House of Commons. Also, £100 out of their salary of £1,000 is automatically tax-free, and if a Member can show that his expenses exceed this figure, he can claim further relief, under ordinary income tax procedure, up to the

full amount of his salary. What is important here, however, is that in many cases this so-called salary is largely "eaten up" by heavy and unavoidable expenditure on secretarial help, postages, entertaining and so forth, which have to be defrayed out of an M.P.'s own pocket.

During the "wage-freeze" of 1948-50 there were occasional, but unsuccessful, attempts to reduce the salaries of M.P.s (as of Ministers), in particular at the time of the 1949 "devaluation" crisis. Since then, however, the emphasis has shifted in the opposite direction and a joint Labour-Liberal deputation in April, 1953, made an approach to the Prime Minister and Government in view of the growing evidence of the financial difficulties facing many back-benchers. It may be added that already in 1946 £1,000 per annum, in terms of purchasing power, fell short—though only just—of £400 in 1911, and according to the Financial Secretary to the Treasury a salary of £1,480 per annum would have been required in March, 1953, to equal, in real terms, the 1911 figure. Or, putting it another way and taking the post-war salary as our starting point, the purchasing power of £1,000 in December, 1952, had shrunk, as compared with 1946, to a mere £685.<sup>6</sup>

The latest development has been the appointment of another Select Committee, who have now issued their Report.<sup>7</sup> The Committee was precluded from a consideration of "fundamentals" and stated that "the House may at some future date wish to consider, in broader terms than Your Committee are instructed to, the status and degree of financial independence appropriate to Members of Parliament . . .", adding that in Commonwealth and foreign countries more generous treatment was meted out to members of the legislature (para. 62). Meanwhile, the main revelation in the Committee's Report was that out of the £1,000 a year paid to M.P.s, they have, on the average, to pay out £750 on expenses "wholly, exclusively and necessarily" incurred in the performance of their duties, while from the remainder a further sum has to be found for other outgoings—such as the use of a car or hospitality for constituents—hardly less necessary, even though not allowed by the Inland Revenue (para. 51). Even if these latter are ignored and on the basis of "allowable" expenditure only, the average Member has left from his parliamentary "salary" a mere £250 for the maintenance of himself and his family. This evidence left the Committee "no option but to report that the expenses necessarily entailed by Membership of Parliament are such that the present payment of £1,000 a year is not sufficient . . . " (para. 52); the Committee therefore recommended that the parliamentary salary be increased to £1,500, and with this they linked a recommendation for a non-contributory pension scheme. The Report caused a considerable amount of controversy—in the press rather than in Parliament—and on 14th April the Prime Minister stated that in the view of H.M. Government it would not be right in present circumstances to proceed in the particular manner recommended. Various alternatives were outlined by the Chancellor of the Exchequer in the House on 13th May, but at a further Debate on 24th May a motion in favour of the £500 "straight increase" was passed on a free vote by a substantial majority, an amendment—which had the blessing of the Chancellor—for an expenses allowance of up to £500 being defeated.<sup>8</sup> It is likely that the Government will feel them-

selves committed to accept the decision of the House. The question of pensions is to be further considered.

Members of the House of Lords do not receive any remuneration, but, under a House of Commons Resolution of May, 1946, may recover out of the sums voted for the expenses of the House of Lords the cost of railway fares incurred in attending the House for the purpose of their parliamentary duties. They are not entitled to be reimbursed for any other expenses.

### MINISTERS

The salaries of Members of Parliament are not regulated by legislation, any change merely needing a Resolution of the House of Commons to become effective, but any permanent amendment of the salaries of Ministers requires statutory sanction. The main Act governing the present remuneration of the majority of Ministers is the Ministers of the Crown Act, 1937, under which the salary of all "major" holders of ministerial office such as the Chancellor of the Exchequer, the Secretaries of State, the President of the Board of Trade and the Ministers of Education, Health and Labour is laid down at £5,000 per annum. In a number of cases this particular level of ministerial remuneration goes right back to 1831: the Chancellor of the Exchequer and the Secretaries of State for Home, Foreign and Colonial Affairs, for instance, had their last "rise" in that year, while the First Lord of the Treasury received £5,000 since at least 1660 (in addition to being provided with a residence). In other cases, lower salaries were fixed at various dates in the 19th century: the Secretary (now of State) for Scotland, for example, was awarded £2,000 in 1885 and the President of the Board of Education a like amount in 1899.<sup>9</sup> As regards Departments of more recent origin, some Ministers were deemed worthy of a salary of £5,000 from the start, but in other instances new Ministers were launched on the parliamentary scene with a lower salary. Thus, the pay of the Minister of Labour was fixed at £2,000 in 1916, but that of the Minister of Health at £5,000 in 1919. All in all, due to the piecemeal growth of the machinery of government, the absence of any uniform system of Cabinet remuneration and the fact that new Departments' claim to first-class rank sometimes took time to "mature," there were, by the end of the first world war, a number of anomalies in the status and remuneration of Ministers.<sup>10</sup> Two Select Committees reviewed the matter in the inter-war period—in 1920 and 1930—but with one exception no action was taken on their recommendations until the legislation of 1937.

The 1937 Act was thus an attempt to rationalise ministerial remuneration and under it (*inter alia*) the salaries of the Ministers of Agriculture, Labour and Transport, of the President of the Board of Education and of the Secretary of State for Scotland were increased from £2,000 to £5,000, which now became the standard rate of pay of "first-class" Ministers. Later Acts, such as those setting up the Ministries of National Insurance, Fuel and Power and Civil Aviation, also fixed the relevant Minister's pay at "not exceeding £5,000." In a few cases, however—including the Lord President of the Council, the Lord Privy Seal, the Postmaster General and the Minister of Pensions—the 1937 Act retained the lower level of remuneration customary for these posts, though in the case of the Postmaster General this was raised

to £5,000 by the Ministerial Salaries Act, 1946, while the Lord President of the Council and the Lord Privy Seal had a corresponding "rise" under Section 3 of the 1937 Act, under which no member of the Cabinet is to receive less than £5,000. The Minister of Pensions, the Chancellor of the Duchy of Lancaster and the various Ministers of State—Foreign Office, Scottish Office, Overseas Trade and Colonial Affairs—still receive only £3,000.

#### Parliamentary Secretaries

The 1937 Act also dealt with the salaries of Parliamentary Secretaries—the Junior Ministers as they are often called—although there have been several important adjustments since. Junior Ministers, it should be emphasised, serve full-time and cannot normally, as do plain back-benchers, engage in outside occupations.<sup>11</sup> The 1946 Select Committee considered that they deserved some improvement over and above the £1,500 per annum payable to the bulk of them under the 1937 Act—and, again, in some cases, paid to them ever since 1831. The position is now that, in addition to their £1,500,<sup>12</sup> Parliamentary Secretaries receive (since April, 1946) a further £500 in respect of their membership of the House of Commons, on which relief from income tax may be claimed in respect of expenses. This additional £500 is also payable to other Ministers in receipt of *less* than £5,000 a year—though not to those whose salary is temporarily abated to below this figure—as well as to the Leader of the Opposition, the Chairman and Deputy Chairman of Ways and Means and to any ex-Prime Minister receiving a pension. The total remuneration of the Parliamentary Secretary has thus become £2,000, but there are a few exceptions: the Parliamentary Secretary to the Treasury receives a basic £3,000 and the Financial Secretary and the Economic Secretary of the Treasury a basic £2,000, and they also qualify for the additional £500. Further improvement has just been promised by the Chancellor.

The Parliamentary Secretary to the Treasury acts as Government Chief Whip. The other Government Whips in the House of Commons comprise the Junior Lords of the Treasury and the Treasurer, Comptroller and Vice-Chamberlain of the Household, all of whom receive £1,000 per annum, except for one of the two Joint Deputy Chief Whips, who receives £1,200. The Peers constituting the "Government Whips" in the House of Lords are the Captain, Gentlemen-at-Arms and Captain, Yeomen of the Guard, who receive £1,200 each, and the three Lords in Waiting, who again are paid £1,000 a year.<sup>13</sup> Opposition (and Liberal) Whips are unpaid, as are also some *Assistant* Government Whips.

The principal political offices and the salaries currently attaching to them are set out in Table I. All the salaries shown there are paid "out of moneys provided by Parliament," with the exception of that of the Speaker of the House of Commons and the Leader of the Opposition, which are paid out of the Consolidated Fund. The payment of a salary to the Leader of the Opposition, incidentally, is an innovation introduced by the 1937 Act.

The salaries shown in Table I are not in all cases those laid down by statute. On 6th November, 1951, the Prime Minister announced in the course of the Debate on the King's Speech that, in order to mark the emergency character of the period and "as a signal for an abnormal period," ministerial

## PAYMENT FOR POLITICAL AND PUBLIC SERVICE

TABLE I

Ministerial and Parliamentary Salaries as at 1st November, 1953

Prime Minister and First Lord of the Treasury (a) ..	£7,000
Chancellor of the Exchequer (a) .. .. ..	4,000
Lord President of the Council .. .. ..	4,000
Lord Privy Seal .. .. .. ..	4,000
Secretaries of State (Foreign Affairs (a), Home Department, Scotland, War, Air) .. .. .. ..	4,000
Other Ministers of major Government Departments (Ministers of Defence, Supply, Labour and National Service, Housing and Local Government, National Insurance, Education, Food, Health, etc., President of the Board of Trade, Postmaster General, First Lord of the Admiralty (a)) .. .. .. ..	4,000
Ministers of State (Foreign Office, Scottish Office, Colonial Office, etc.) .. .. .. ..	(b) 3,000
Parliamentary Secretaries .. .. .. ..	(b) (c) 1,500
Attorney-General (d) .. .. .. ..	10,000
Solicitor-General (d) .. .. .. ..	7,000
Speaker of the House of Commons (e) .. ..	5,000 (b)
Chairman of Ways and Means .. .. ..	2,500 (b)
Deputy Chairman of Ways and Means .. ..	1,500 (b)
Leader of the Opposition .. .. .. ..	2,000
Government Whips .. .. .. ..	1,000/1,200 (f)
Members of Parliament .. .. .. ..	1,000

(a) Entitled to additional emoluments in kind.

(b) Excluding the additional £500, payable in respect of membership of the House of Commons.

(c) A number of Parliamentary Secretaries receive more : see text.

(d) Fees for contentious business are paid to the Law Officers but are returned to the Crown.

(e) The Speaker of the House of Lords is the Lord Chancellor who receives £4,000 in virtue of his former office and £6,000 in respect of the latter.

(f) Gross salary : see text.

salaries would be cut for the period of rearmament or three years, whichever ended first.<sup>14</sup> Hence all Ministers with a salary of £5,000 have it temporarily abated to £4,000, while the Prime Minister's remuneration is similarly reduced *pro tem* from £10,000 to £7,000.<sup>15</sup> There is full statutory sanction for such a reduction of ministerial salaries in Section 8 of the 1937 Act.

#### *The Prime Minister*

The Prime Minister *qua* Prime Minister did not receive any pay prior to the passing of the Ministers of the Crown Act, his *de facto* salary of £5,000 being payable to him solely in his capacity of First Lord of the Treasury. In 1937, however, the Prime Minister was, so to speak, "legitimised," and his pay as "Prime Minister and First Lord of the Treasury" was fixed at £10,000. It may be added that both the Select Committee of 1920 and 1930 had gone out of their way to urge speedy action as regards the Premier's salary. The 1920 Committee had been of the opinion that, considering its increasing burdens and responsibilities, the remuneration of the Premier's office was inadequate and that, moreover, it ought to exceed that of other Cabinet Ministers, adding that it was doubtful whether any man called to that high office during recent reigns could have sustained the position without private means.<sup>16</sup> The 1930 Committee pointed out, *inter alia*, that the Prime Minister had, out of his salary, to provide for entertainments, without being able to recover such expenditure from the Government Hospitality Fund.<sup>17</sup> Of the Premier's statutory salary of £10,000, £4,000 is officially tax-free—no other ministerial salary contains a similar tax-free element—but Prime Ministers do not necessarily take advantage of this provision. The Prime Minister also receives a pension of £2,000 a year on retirement, and is the only Minister to whom a pension is payable on laying down office.

#### *The Law Officers*

The Attorney-General and the Solicitor-General are the legal representatives and advisers of the Crown and conduct important litigation on its behalf. Though their duties are primarily legal, their appointment is a political one, in that these officers come and go with the party in power. However, they are not Ministers and their remuneration is regulated by Treasury minute, not by statute.<sup>18</sup> Apart from the Premier, they are the highest paid politicians and as their remuneration has not been abated, the Attorney-General's £10,000 is currently the highest salary received in the House of Commons. In the wider world of public service it is exceeded only by that of the Lord Chancellor.

As compared with holders of ministerial office, the Law Officers have been in a favourable position for a long time—at one time enjoying not merely a higher salary, but also retaining substantial fees paid to them for contentious business (on ordinary professional scales, subject to a maximum).<sup>19</sup> The Select Committee of 1920 were of the definite opinion that these payments were excessive, and proposed a cut, but no action was taken until much later, and in the decade 1919-1928 the Attorney-General had an average yearly income from fees of £18,332 over and above his then salary of £7,000. (The Solicitor-General averaged £9,010 from fees, in addition to his salary of £6,000).<sup>20</sup> Without describing in detail the various

## PAYMENT FOR POLITICAL AND PUBLIC SERVICE

adjustments which took place in the 1930s—including some cuts—the Law Officers' remuneration has now been put on an entirely new basis, and since February, 1946, all-inclusive salaries have been fixed of £10,000 and £7,000, all fees for contentious business being returnable to the Crown. Their present salaries, then, are "historically speaking" extremely low, though this does not alter the fact that, by comparison with those of Ministers, they are very high.

### *Residences and Other Perquisites*

Several Ministers are entitled to free residential accommodation in addition to their salary, viz., the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary and the First Lord of the Admiralty, as well as the Lord Chancellor in his capacity of Speaker of the House of Lords.<sup>21</sup> So far as the Foreign Secretary is concerned, the practice was introduced in 1946 (though his predecessor had occupied a rent-free flat in the Foreign Office); in the other cases these arrangements are of long standing.<sup>22</sup> It may be added that the Select Committee of 1920 had recommended that no Minister should suffer a reduction of salary if he chose to accept the offer of the official residence nor, for that matter, receive an allowance in respect of a house which he did not occupy.<sup>23</sup>

Until the end of 1951 all members of the Cabinet were provided with a car and chauffeur, while Junior Ministers had a car pool to draw on for official purposes. However, a considerable saving has since been effected, and only the Prime Minister, Foreign Secretary and Home Secretary now have a car personally allotted to them. All other Ministers rely on the Government Car Service.<sup>24</sup>

## LOCAL GOVERNMENT

### *Aldermen and Councillors*

The general rule is that service to local politics is on an entirely voluntary basis; such payments as are made are simply to prevent or mitigate actual financial loss.

Prior to the passing of the Local Government Act, 1948, Local Authorities could pay travelling expenses and subsistence allowances only if members were travelling on the business of the council outside the latter's area, and within certain limits they could also (except parish councils) pay the expenses of members attending the main forms of local government conferences. However, if no travelling outside the authority's area was involved, only county councils had the power to pay travelling expenses (but not subsistence allowances).<sup>25</sup> No council in England and Wales—in Scotland they did—had then the power to reimburse a member for any financial loss sustained by him through, say, deductions from pay for time spent at council meetings.

An Inter-Departmental Committee, under the chairmanship of Lord Lindsay, were appointed in 1946 to consider the advisability of extending Local Authorities' powers to pay travelling and subsistence allowances as well as the desirability of introducing allowances for "loss of remunerative time." As had most of their witnesses, the Committee, in their Report, came out emphatically in favour of preserving the voluntary character of local government, the service of which ought to involve sacrifice though not

## PUBLIC ADMINISTRATION

actual hardship. They did not therefore accept suggestions that members of Local Authorities should receive allowances of a fixed annual amount, on the analogy of M.P.s' salaries. Though such a system would have a number of advantages, one of the Committee's reasons for rejecting it was "the psychological fact that an annual payment looks like a salary and suggests a salaried service (whose remuneration would, moreover, tend to rise to the level of professional and official salaries), and could suggest to the self-interested man that membership of a local authority was a useful method of obtaining a modest income" (para. 65). The analogy with the Member of Parliament they regarded as false, among other reasons because M.P.s, unlike Councillors, had to establish themselves in London.

At the same time, the Committee were anxious to prevent what they called the "distortion" of local authority membership—of which they found evidence—caused by the exclusion through economic circumstances of persons who would be useful members. They therefore made proposals for a system of modest allowances for the loss of remunerative time as well as for an extension of travelling and subsistence allowances, the payment of all these to be mandatory on Local Authorities. These recommendations were accepted by the Government and incorporated into the Local Government Act of 1948, the Debate on the Second Reading showing a very large measure of agreement with the new arrangements.<sup>26</sup>

The new system of allowances is dealt with in Part IV of the 1948 Act and became operative on 1st August of that year. The provisions apply not only to (the members of) Local Authorities in the narrow sense, but also to various joint boards and committees, river boards, divisional executives, combined police authorities, the Metropolitan Water Board, etc.<sup>27</sup> The "financial loss allowance" is payable in respect of: (a) actual loss of earnings; or (b) additional expenses (other than on travel or subsistence which are treated separately), necessarily incurred for the purpose of performing any approved duty as a member of the body in question. The allowance is of very modest dimensions and, as originally fixed, was not to exceed, in respect of any period of 24 hours, 10s. where the time involved was up to four hours, and 20s. where it was more than four hours. These figures have now been increased to 15s. and 30s. respectively. Members of a parish council are not entitled to these payments in respect of duties performed within their parish. Travelling and subsistence allowances are payable in addition in defined cases at rates which must not exceed those prescribed by S.I. 1954 No. 397. The reimbursement of expenses incurred in attending conferences continues to be made under Section 267 of the Local Government Act, 1933.

### *Mayors and Chairmen of Councils*

A word now about the Mayors or Chairmen of Local Authorities (all of whom hold office for one year but may be re-elected). Under Section 116 of the 1948 Act a District Council in England and Wales may pay to its chairman, for the purpose of enabling him to meet the expenses of his office, such allowance as the Council may think reasonable. In the case of the Mayor of a Borough Council and the Chairman of a County Council, however, a Council may, under the Local Government Act, 1933, "pay . . . such

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remuneration as they think reasonable" (S. 18 (4) and S. 3 (4)). Not unnaturally amounts paid under this head vary widely. According to the *Municipal Year Book*, the Lord Mayor of London heads the list with £12,500 per annum; the Lord Mayor of Liverpool's allowance in 1952-3 was £4,000 and that of his colleagues in Manchester and Leeds £3,000. Hull paid its Lord Mayor £2,000, Cardiff £1,500, and Stoke-on-Trent £1,000; Blackburn, Coventry, Hove and Northampton all paid £500. On the other hand, the Mayor of Huntingdon received only £52 per annum and of Lyme Regis £50. While there is no doubt as to the predominantly "expense" character of these allowances—it is said that some Mayors are seriously out of pocket after their term of office—it is impossible to say whether (though it is not very likely) the allowance does not, in individual cases, include some element of genuine remuneration, for which there appears to be full statutory authority.<sup>28</sup> Each mayor has discretion as to the precise spending of the allowance, while as far as the payment of income tax is concerned, the Inland Revenue treats each case on its merits. In quite a number of cases, a motor car (with or without chauffeur) or special allowance in lieu is provided in addition to the cash allowance.

In the case of the London County Council, the provision in the London Government Act, 1939, for the remuneration of the Chairman is identical with that in the 1933 Act and is here extended also to the Deputy Chairman—an office unknown in other Administrative Counties (S. 3 (4) and S. 6 (3)). In actual fact, however, the L.C.C. does not make any payment by way of remuneration or allowance to either its Chairman or his Deputy, though an official motor car is provided for the former. Expenditure in connection with ceremonies, receptions and the like is defrayed by the Council itself.

#### PUBLIC BOARDS AND CORPORATIONS

The precise content of this sub-heading is part of the wider problem of classifying the various public authorities and quasi-Government bodies which do not fall under the more orthodox categories of government department and local authority. This, however, is not the place for a consideration of this interesting question. For present purposes we shall include the various corporations responsible for the running of the nationalised industries, such as the National Coal Board or the British Electricity Authority, and also cover some of the bodies concerned with the provision of social and other non-industrial services such as the New Town Development Corporations or the Regional Hospital Boards. It will not, however, be possible to make reference to all the multitudinous boards, largely of an advisory, regulatory or supervisory character or to the numerous councils, commissions and similar bodies which now grace the periphery of the British system of public administration.

The general rule is that members, including the Chairman and Deputy Chairman, of public boards are appointed by the appropriate Minister. Formal exceptions are the British Broadcasting Corporation, the Chairman and Governors of which are appointed by the Queen in Council, and the Governor, Deputy Governor and Directors of the Bank of England, who are also appointed by the Crown: in effect these appointments are made by the Government of the day.

A detailed account of the constitution and composition of the various Boards falls outside our terms of reference;<sup>29</sup> naturally there is considerable variation as regards both the number of members and the proportion of full- and part-timers. As regards tenure, the normal pattern—for the post-war corporation at any rate—is to leave this to the Minister for him to deal with by way of regulation: the important point is that Board-level appointments are not, as a rule, permanent, but merely for a fixed term of years—frequently five for full-time and three for part-time members—though reappointment is possible and by no means uncommon. At the same time, except in the case of the Bank of England where the Governor and Directors are appointed for a minimum term of office under statute, the appointing Minister has powers of dismissal if, in his opinion, a member becomes “unfit to continue in office.” D. N. Chester has pointed out that, on the whole, the Chairman and Members of the post-war Boards are in a more dependent statutory position than were those of the pre-war public corporations (such as the Central Electricity Board and London Passenger Transport Board), though elsewhere he says that security of tenure is a difficult concept to pin down, much depending on convention.<sup>30</sup>

Until recently it was understood that full-time Board members give up their outside directorships and other paid commercial or trade union posts, but there has lately been a departure from this principle, and according to the Minister of Supply’s announcement in the Commons of the members of the new Iron and Steel Board, the holding of outside directorships by full-timers is not precluded, provided “they take on nothing whatsoever which is going to encroach upon the time they need to carry out their duties as whole-time members of the Board.”<sup>31</sup> This development was foreshadowed in the Iron and Steel Act of 1953, which specifically defines<sup>32</sup> a “whole-time member” as one who is required to devote himself exclusively or mainly to the performance of his duties and notwithstanding that his appointment as a Board member may not be his only appointment. The whole concept of full-time service has thus become rather elastic, and the line between full- and part-time has become further blurred by the creation of what may well become a new category of “most-of-the-time” posts such as that of Sir John Green on the new Iron and Steel Holding and Realisation Agency who, in the words of the official announcement, “will devote the greater part of his time to the business of the Agency.”<sup>33</sup> Similarly, the chairmanship of the Colonial Development Corporation has been officially reduced (i.e., by a formal reduction in salary) to “most-of-the-time” proportions, following the permission given to the present holder of the office to accept some private directorships.<sup>34</sup> Members of the House of Commons cannot be members of these Boards.

Salaries—in some Acts the term used is “remuneration (whether by way of salaries or fees)”<sup>35</sup>—are also determined by the Minister concerned, but with Treasury approval. In some of the later acts there is a provision that the Minister must notify Parliament of these and a *List of Members of Public Boards of a Commercial Character* is now published annually as a White Paper. However, the salaries of the members of the New Town Development Corporations do not require to be, and are not in fact, regularly submitted to parliamentary scrutiny, though details can be elicited by a

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Question in the House.<sup>34</sup> The salaries of the Governors of the B.B.C., on the other hand, and the fees payable to the Governor and Directors of the Bank of England are laid down in their respective Charters.<sup>35</sup>

TABLE II  
*Members of Public Boards*  
Salaries(a) as at 1st November, 1953

<i>Board</i>	<i>Chairman</i>	<i>Deputy Chairman</i>	<i>Member</i>	<i>Additional Allowances (b)</i>
National Coal Board ..	£ p.a.	£ p.a.	£ p.a.	£ p.a.
National Coal Board ..	7,500	5,000	5,000 500 (P)	C : 1,000 (c) DC and M : 500
British Electricity Authority ..	8,500	5,000	(d) 1,000 (P)	2,250
Area Electricity Boards	(e) 4,000	(e) 3,500	(f) 500 (P)	1,500
North of Scotland Hydro-Electric Board	Unpaid (P)	Unpaid (P)	750/500 (P)	1,500
Gas Council ..	6,000	5,000	(g)	C : 1,000 DC : 500
Area Gas Boards ..	4,500	3,500	3,000 500 (P) (h)	C : 500 DC : 400 (i)
British Transport Commission ..	8,500	—	5,000 (e) 1,000/500 (P)	4,000
London Transport Executive ..	7,000	—	3,500 (e) 500 (P)	
Road Haulage Disposal Board ..	3,000 (P)	3,000	(j) 500 (P)	200
British Overseas Airways Corporation	7,500	(k)	(k) 500 (P)	C : 1,000 (l)
British European Airways Corporation	5,000	(m) 1,500 (P)	(k) 1,200 (P) (n)	C : 750 (l)
Iron and Steel Board	7,500	—	5,000 1,000 (P)	
Iron and Steel Holding and Realisation Agency ..	6,000 (P)	—	3,500 (P) (o) 1,000 (P)	
Cable and Wireless Ltd. ..	3,500	3,000 (p)	500 (P) (q)	C : 350 Man. Dir. : 350

## PUBLIC ADMINISTRATION

TABLE II (continued)

Board	Chairman	Deputy Chairman	Member	Additional Allowances (b)
Raw Cotton Commission (r) ..	£ p.a. 5,000	£ p.a. —	£ p.a. 3,000 (s) 500 (P)	£ p.a. C : 500 M : 250 (t)
Colonial Development Corporation ..	3,500 (P)	750 (P)	500 (P)	2,000
Overseas Food Corporation ..	4,000 (u)	—	500 (P) (v)	C : 1,600 (w) 250
Bank of England (x) ..	2,000 (P)	1,500 (P)	500 (P)	
British Broadcasting Corporation ..	3,000 (P)	1,000 (P)	600 (P) (y)	
New Town Development Corporations ..	(z) 1,500 (P)	750 (P)	400 (P)	
National Assistance Board .. ..	5,000	1,500 <sup>+</sup> (P)	750 (P)	

(a) All salaries refer to full-time appointments, except where any figure is followed by (P) to indicate part-time tenure. As regards the number of members in receipt of the various salaries, see Cmd. 9025 (H.M.S.O. 1953), which gives details for most of the Boards listed.

(b) C=Chairman, DC=Deputy Chairman, M=full-time member; allowances not earmarked are payable to the Board as a whole. Except where otherwise indicated, the allowances shown do not include travelling and subsistence expenses, which are refunded separately in all cases.

(c) A further sum not exceeding £5,000 is available to meet expenses on hospitality, etc., incurred by the Board as a whole.

(d) The Board includes the Chairmen of 4 Area Boards and of the North of Scotland Hydro-Electric Board, who are remunerated only as such (the latter being unpaid). One member (P) receives £750, plus £500 in respect of additional duties.

(e) Excluding those retaining the higher salary payable to them in their previous employment.

(f) Chairmen of Consultative Councils receive £750. Members appointed before 31.12.1950 receive £750, or £1,000 if Chairmen of Consultative Councils.

(g) The members are the Chairmen of the Area Gas Boards and paid as such.

(h) Chairmen of Consultative Councils receive £750.

(i) An allowance of up to £600 is available for the use of members.

(j) Paid to two members; two others are unpaid.

(k) The Deputy Chairman and the two full-time members of B.O.A.C. and the Chief Executive of B.E.A. hold a "full-time executive appointment," the remuneration of which is determined by the Corporations.

(l) Inclusive of travelling and subsistence expenses in this country, but excluding overseas visits and special large-scale entertainments.

(m) Voluntarily not drawn.

(n) Payable to 2 members engaged on special duties. 2 others have a salary of £1,500 (special duties) and £500 (not drawn).

(o) Payable to Sir J. Green, who devotes the greater part of his time to the business of the Agency.

(p) Salary of Managing Director, not Deputy Chairman.

(q) Paid to 1 part-time Director; 2 others are unpaid.

(r) Now to be wound up.

(s) Payable to 1 full-time member. The second full-time post is an "executive appointment" (remuneration not known). There are 10 part-time members.

(t) Inclusive of travelling and subsistence expenses in this country.

(u) Chairman and General Manager.

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The highest salary is, as shown, £8,500, payable to the Chairmen of the British Transport Commission and the British Electricity Authority. The Chairman of the National Coal Board also originally received this amount, but is now paid £7,500 plus an allowance of £1,000.<sup>36</sup> The Chairmen of British European Airways and British Overseas Airways similarly enjoyed higher salaries initially.<sup>37</sup>

For Deputy Chairmen and "ordinary" members salaries range from £3,000 to £5,000; the distinction of being a Deputy Chairman is not necessarily reflected in his remuneration. The official evaluation of the appropriate reward for "most-of-the-time" service appears to be £3,500: this is the salary of the "most-of-the-time" member of the Iron and Steel Holding and Realisation Agency and of the Chairman of the Colonial Development Corporation as from the autumn of 1953. However, as we have seen, the holding of outside directorships *per se* does not now automatically imply a salary of only "most-of-the-time" proportions: how onerous precisely these extraneous duties may be before the salary is so reduced is far from clear.

Part-time members receive various amounts ranging from £1,000 (British Electricity Authority, e.g.) to £400 (New Towns), but £500 is perhaps the most common figure for those not engaged on special duties. To what extent these variations reflect differences of "work load" or, alternatively, other factors such as the relative "importance" of the Board in the scheme of things or the need to pay according to commercial principles is most difficult to say without a great deal of further research into, among other things, the actual amount of time spent by each part-time member on his duties; the problem is akin to that created by whole- and "most-of-the-time" service. However, there is some indication that £500 is becoming increasingly typical as the part-time member's "rate for the job." All (ordinary) members of Area Electricity Boards, for instance, appointed since the beginning of 1951 receive this figure as against the £750 of those appointed before this date, and a number of part-time appointments in Transport and on the Court of Directors of Cable and Wireless Ltd. have similarly been levelled down. As we saw, the same is true of a few full-time appointments, though a request in the House of Commons, made at the time of the 1948 "wage-freeze," for a standard maximum salary of £5,000 a year got little sympathy from the Chancellor of the Exchequer, who pointed out that the salaries of the Chairmen and members of the Public Boards were fixed "at the level necessary to obtain men with the qualifications and experience required for these highly responsible posts, having regard to the current salaries obtainable for similar posts in the field of private enterprise"<sup>38</sup>—the nearest, probably, that we shall ever get to an official pronouncement on

(v) Payable to 3 part-time members, 1 of whom receives a further £1,500 as London Agent of the Corporation. 2 part-time members are unpaid.

(w) Personal oversea allowance.

(x) The figures shown are the fees payable in respect of part-time service on the Court of Directors. Additional amounts are paid to the Governor, Deputy Governor and the 4 Directors serving full-time.

(y) This is the remuneration of Governors other than the National Governors for Scotland and Wales, who receive £1,000 per annum.

(z) A higher salary is paid if acting as Chairman of more than one Corporation.

+ Now reduced to £750 per annum.

the rationale of these rewards. Sir Stafford added that he did not think it would be practicable to work to a specific limitation as suggested.

A small number of Board members continue to receive the higher salaries payable to them as officials of their respective undertakings prior to nationalisation, while a few others do not draw their (full) salary. It may also be added that those members who sit on more than one Board are only remunerated in respect of one appointment: thus all the members of The Gas Council and four of the members of the Central Electricity Authority sit on the central body by virtue of their chairmanship of an Area Board, and are remunerated only in respect of the latter. In one case remuneration is received in respect of two *part-time* posts.

#### *Bank of England*

The figures shown in Table II for the Bank of England are merely fees in respect of part-time service on the Court of Directors and are not meant to cover the "exclusive service" which is demanded from the Governor and his Deputy and which may be (and is) demanded from up to four Directors. Thus, the Charter of 1946 lays down fees in respect of service on the Court of Directors as shown but, further, provides that "the Governor and Deputy Governor and any Director rendering exclusive services to the Bank of England may in respect of their exclusive services receive remuneration at such rates as the Court of Directors may from time to time determine in addition to their fees for their services on the Court . . ." (Cmd. 6752 S. 12). The extent of this addition, though clearly crucial, is neither stated nor ascertainable; moreover its existence seems to be frequently overlooked.

#### *B.B.C.*

The Governors of the B.B.C. now number nine, including the Chairman, Vice-Chairman and the National Governors for Scotland, Wales and Northern Ireland. They all serve part-time; hence the relatively low level of their salaries which has come under fire in some quarters.<sup>39</sup> The Broadcasting Committee of 1949,<sup>40</sup> which reviewed the Governors' position in the course of their exhaustive examination of the broadcasting service, gave their official blessing to the system of part-time service, but nevertheless recommended an increase in remuneration so as to justify a greater call upon these services. Thus the Chairman, though he should be part-time, "should as definitely make broadcasting his first interest" and on that basis the Committee proposed a salary of £4,000 per annum. For the ordinary Governors, who had suffered a pay reduction under the 1946 B.B.C. Charter on the ground that their duties were not sufficiently heavy to justify an annual salary of £1,000, the Committee recommended that the cut should be restored, which "would assume some increase in the time now given to their duties" (paras. 576-7). These recommendations were not, however, accepted and the salaries of the Chairman, Vice-Chairman—the Beveridge Committee considered this appointment superfluous—and other Governors have been kept in each case at the 1946 level. The new national Governors for Scotland and Wales receive only £1,000 per annum<sup>41</sup>—half of what the Committee had proposed—while the other members of the new National Broadcasting Councils (who are not Governors) are to render their services completely

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voluntarily, although the Beveridge Committee had suggested a payment of £500 per annum. It should be pointed out, however, that the functions of the Councils will be considerably more limited than envisaged by the Committee. It may be of interest to add that the Chairman and Vice-Chairman of the B.B.C. now receive the same as, and the ordinary Governors £100 less than, under the original Charter of 1926.

### *New Towns*

The salaries shown for the New Town Development Corporations apply uniformly to all the 12 Corporations now in existence in England and Wales, set up under the New Towns Act of 1946. Each Corporation is charged with the laying out and general development of the new town in question, for which purpose it is given wide powers. However, none of the Board members serve full-time. As shown in Table II, the salary of Vice-Chairmen is now £750 per annum; when the first Corporations were established—and until May, 1949—the annual salary of Vice-Chairmen was £1,000.

### *National Assistance Board*

The Board consists of a Chairman, a Deputy Chairman and four members, appointed by the Crown, but only the Chairman serves full-time. The Board operates with a Civil Service staff and all its expenses are borne on ordinary Parliamentary Votes, with the exception of the salaries of the Board itself, which are paid out of the Consolidated Fund and which, in the aggregate, must not exceed the sum of £12,000 per annum (National Assistance Act, 1948, S. 61 and Sched. 1). The salaries of the Board members are, in this instance, determined by the Treasury without "aid" from other Departments, the Chairman's salary being the same as that received by the Chairman of the Unemployment Assistance Board—the N.A.B.'s predecessor—before the war.

### *National Health Service*

Membership of the various bodies set up under the National Health Service Act, 1946—Regional Hospital Boards, Boards of Governors of Teaching Hospitals, Hospital Management Committees, Executive Councils, the Central Health Services Council, etc., and any of their Committees—is part-time and completely voluntary. Service on these bodies is in fact treated similarly to that on Local Authorities and payment may be made in respect of "any loss of remunerative time" as well as (in given circumstances) in respect of travelling and subsistence expenses,<sup>42</sup> the amounts fixed being identical with those payable to members of Local Authorities.<sup>43</sup> There are more than 10,000 voluntary workers serving the National Health Service in this way. They normally serve for three years (though eligible for re-appointment) and are not debarred from sitting in the House of Commons. It is only in the case of a few specialised bodies, such as the Dental Estimates Board and the Medical Practices Committee, staffed by full-time personnel, that the position is different and remuneration may be and is paid.<sup>44</sup>

### *Allowances*

The allowances shown in the last column of Table II—specific statutory authority is given for their payment in the nationalisation Acts—are also

determined by the competent Minister with Treasury approval. They are not, as a rule, meant to cover travelling and subsistence, members of all the Boards being entitled to recover such expenses where incurred for official purposes. In addition, the Boards frequently provide members with a car and chauffeur for use on official business. In the case of the B.B.C., the Charter specifically provides for the reimbursement of expenses incurred by Governors, and by the members of the National Broadcasting Councils, Regional Advisory Councils and other committees.

#### *Pensions*

Some members of Public Boards draw pensions, or retain pension rights, in respect of previous employment. Others are now eligible for pension in respect of their Board service, for which there is full statutory authority.

#### *General Comments*

We are in this survey dealing only with the remuneration of the members of various Boards, and not with the latter's staff, who are in rather a different category, being permanent full-time employees, whose fate is in the hands of the Boards themselves and over whose conditions of service Ministers do not normally have a say. However, the point at which Board level ceases and staff level begins varies because of constitutional differences between the various Boards, and this has led to some interesting results. Thus, the national Board is the only statutory body created by the Coal Nationalisation Act, 1946, and the Divisional Coal Boards are simply part and parcel of the industry's normal administration, their members holding permanent pensionable staff appointments. However, parallel regional bodies in other nationalised industries—say Gas and Electricity—are set up by statute and are, therefore, manned by "Board members," serving fixed terms of office under "Board" conditions as described earlier on. While it is true that Area Gas and Electricity Boards—especially the former—have much more independence than the Divisional Coal Boards and are responsible for policy to a greater extent, it would be wrong to assume that Board status, including Board conditions of tenure and salary, depend solely on either the degree of independence or on the policy-making nature of the Board, while managerial or executive function is reflected in permanent salaried (staff) status. The facts—or accidents—of the constitutional framework rather than the nature of a Board's functions appear to be the primary determinant of whether a particular top-level appointment confers Board or employee status.

A further interesting point is that while the salaries of Board members are, in general, public property, those of the senior executives are, as a rule, highly confidential. Thus, the salary of a member of an Area Gas Board can be ascertained quite simply by turning to the relevant White Paper, but that of a member of a Divisional Coal Board is not divulged except in the most general of terms.<sup>45</sup> The refusal of the Minister of Fuel and Power to disclose the salaries to be paid to members of Divisional Coal Boards was in fact raised in the House of Commons in November, 1946, but the Minister pointed out that, the regional coal boards being non-statutory bodies and part and parcel of the Board's normal administration, the demand for information regarding their (and other administrative) salaries amounted

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to "elevating" the administration of the National Coal Board to that of the Civil Service.<sup>46</sup> Similarly, the Deputy Chairman and the two ordinary full-time members of B.O.A.C. and the Chief Executive of B.E.A. as well as one of the two full-time members of the Raw Cotton Commission hold a "full-time executive appointment," details of which are not published. In the case of the Airways Corporations, the Air Corporations Act, 1949, specifically provides (Sch. 1, S. 10) that if any member of the Corporation (other than the chairman or deputy chairman) is "employed about the affairs of the corporation otherwise than as a member thereof," the Corporation may pay him such additional remuneration as the Corporation may determine, and the Governor, Deputy Governor and full-time Directors of the Bank of England are, as we saw, in a comparable position. Without wishing to take up the general question of the secrecy in which the salaries attaching to senior executive positions on Public Boards are shrouded, it is worth pointing out that the remuneration of a Board member of a "policy-making" Board, who however is himself engaged on executive duties for part of his time, is a secret, while if the whole Board is of the executive type, all the members' salaries are likely to be public property.

Not unnaturally, the salaries paid to Board members have attracted a considerable amount of public interest as well as criticism. On the one hand, Board salaries have been attacked as far too high, while in other quarters the criticism has been that they are too low to attract men of the highest calibre and ability, and similarly widely differing views are held as regards the basic consistency of the different scales. Thus, a study of *The Men on the Boards* by the Acton Society Trust finds that "the most striking thing about these figures is that salaries do not seem to have been allotted to any consistent principle,"<sup>47</sup> while Professor Robson thinks that a good deal of thought has been given to the question, that the salaries vary according to the size and importance of the undertaking and that they "appear to be broadly reasonable, having regard to the enormous responsibilities falling on the men who are asked to direct these huge concerns and the experience and knowledge which they are required to possess."<sup>48</sup> He states that salaries are well below what would be offered by commercial companies of similar magnitude, and observes with satisfaction that since 1945 no attempt has been made to remunerate members of public corporations at the absurdly high rates which were sometimes fixed before the war. Then—and the somewhat different value of money is a not unimportant consideration—the Chairman and Deputy Chairman of the London Passenger Transport Board, for instance, received £12,500 and £10,000 a year respectively, while the Chairman of the Central Electricity Board (who had a far less important post than the Chairman of the British Electricity Authority) was paid £8,000 a year. On the other hand, the Port of London Authority—one of the pre-war public corporations which has survived—still appears to pay its Chairman on the high pre-war scale: the present Chairman, whose post is part-time, was appointed in 1946 at a salary of £7,500 per annum.<sup>49</sup> It should be emphasised, however, that the Port of London Authority is not a public authority in the full sense of the term, the majority of its members being elected by wharfingers and other private interests, and the above salary is determined by the Authority itself with neither the Treasury nor a Minister

of the Crown having a say in its determination. Moreover only the Chairman and Vice-Chairman (and Chairman of any Committee), but not the ordinary members of the P.L.A., may be paid a salary.

### SOME REFLECTIONS

Let us now take a brief look at relative levels of pay within the field of politics and public service considered in this article. We may start by contrasting the £1,000 gross of the theoretically part-time Member of Parliament with the £500 net of (many of) the part-time Board members. Bearing in mind their respective workloads, there seems to be little doubt that the M.P.'s hourly rate of pay falls rather drastically short of the Board member's—and this will still be so if the Parliamentary salary becomes £1,500. I have, of course, not shown reason why these hourly rates should be the same, but to those who claim that the enormous responsibilities involved in the running of a major nationalised industry entitle Board members to very substantial salaries, one can reply that in the case of the £500-a-year part-timer, this argument can apply only to a very limited extent. Again, the Chancellor of the Exchequer and the Foreign Secretary with their £4,000 per annum might be forgiven for casting envious eyes on the Chairman of, say, the British Transport Commission and the British Electricity Authority, particularly as the tenure of a Ministry is, if anything, less secure than a Board chairmanship. This is *not* to imply that Board salaries are too high; one is simply tempted to pose the rhetorical question whether managing the nation's finances and foreign affairs is really so much less important than managing its transport system or electricity supply. "Does the Hon. Gentleman admit that the chairman of the B.O.A.C. is worth nine and a half Members of Parliament, or one and nine-tenths Cabinet Ministers?" asked Mr. Mikardo in the House in April, 1947.<sup>50</sup> The answer is probably that the Hon. Gentleman would not admit anything of the kind and that, quite simply, ministerial salaries do not reflect the value or importance of the services rendered. In the case of Board salaries, what is paid can perhaps be described as Board members' hypothetical market value, minus the several thousand which we feel they ought to forego in deference to the "public service" motive. The figures thus are arrived at by a process of subtraction, and the reward obtained in private enterprise is our starting point. The salaries fixed for ministerial posts are, however, arrived at by a different process. It is now so inconceivable that the national finances and foreign affairs should be run by private enterprise on the nation's behalf, that we have no market rate to help us in determining these and other ministerial salaries. Hence we rely on history to provide our starting point—Mr. Baldwin made this quite clear in 1937 when winding up the Second Reading Debate on the Ministers of the Crown Bill<sup>51</sup>—but, at the same time, whatever figure antiquity has bequeathed must also satisfy the criterion of, on the one hand, not being so low as to be inconsistent with the undoubtedly dignity of ministerial office, nor, on the other, so high as to be incompatible with the rendering of public service, which by common consent *ought* not to be rewarded in full by financial means. Where precisely the blades of the scissors cut is thus the resultant of a number of complex factors, including the "value" of the less tangible, but no less real, non-monetary rewards of public service.

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At the root of all this appears to be the tradition that where the nature of a public service is commercial or industrial, we cannot expect those who perform it to make as great a financial sacrifice in deference to the public service motive as we can where the nature of the service is "social." Thus, members of Regional Hospital Boards and other bodies set up under the National Health Service work "for love," while part-time service on all the Boards of the nationalised industries is rewarded. On the other hand, the constitutional framework within which a service is rendered is often an equally, if not more, potent factor. Thus, a local Councillor is unpaid whether he serves on the Education Committee or on the municipal Transport Committee, though helping to run a municipal transport system is as "commercial" as helping to run a national (public) one which, as we saw, does attract a financial reward. Again, the Post Office is, according to the nature of its functions, of a piece with the other nationalised industries, but as it happens to be a fully-fledged Government Department, the P.M.G. is paid as a Minister of the Crown. (Indeed his remuneration was actually below that of the "major" Ministers until 1946.) If it were not for this accident, he might well receive a salary comparable to that of the Chairmen of the major nationalised industries. The President of the Board of Trade and the Minister of Supply, similarly, deal with matters commercial and industrial, but they head what are full Government Departments, and it is this fact of their constitutional position, rather than the nature of their functions, which determines the pattern of remuneration.

By way of a tentative conclusion to an admittedly incomplete survey, this may be said. I have not attempted in this essay to examine or evaluate all the many complex factors which have produced our present standards of remuneration for the various types of public service (though our brief discussion seems to suggest, e.g., that the "market" criterion is more important in determining Board salaries than those of Ministers). But whatever these factors are and whatever the precise "weighting" to be ascribed to any one of them, we may say that the financial reward, which now accrues to an individual "for political and public services," depends on the constitutional framework within which they are rendered rather than the nature of those services. In other words, if your service is performed within the sphere of local politics, your pay is nil; if within that of national politics, it is paid for at what might be called the "modest parliamentary" level, remuneration for the "political" type of public service, performed as the result of popular election being, on the whole, decidedly inferior to that rendered as a consequence of ministerial appointment. If yours is Board service, the fact of whether your Board is a statutory one will determine whether or not you are a genuine Board member or, alternatively, an ordinary salaried senior executive. As between one statutory Board and another, however, the type of service rendered assumes importance. If your Board is of a commercial or industrial character, you may claim higher pay than if you are merely purveying social or cultural goods, in which case you are expected to have imbibed something—or possibly a great deal—of the tradition of voluntary service.

<sup>1</sup>See 29.5.1946, 423 H.C. Deb., 1257 and 24.5.1954, 528 H.C. Deb., 74.

## PUBLIC ADMINISTRATION

<sup>3</sup>In 1920 a Select Committee was appointed to consider the salary and expenses of M.P.s. It did not make a specific recommendation for an increase of salary, though favouring the granting of certain privileges.

<sup>4</sup>*Report from the Select Committee on Members' Expenses*, H.C. 93 of 1945-46.

<sup>5</sup>30.4.1946, 422 H.C. Deb., 38-9.

<sup>6</sup>See 6.11.1945, 415 H.C. Deb., 1089-90.

<sup>7</sup>Cf. 16.3.1953, 512 H.C. Deb., 170 and 23.1.1953, 510 H.C. Deb., 66.

<sup>8</sup>*Report from the Select Committee on Members' Expenses, etc.* (February, 1954).

<sup>9</sup>For the two debates see 13.5.1954, 527 H.C. Deb., 1441 *et seq.* and 24.5.1954 528 H.C. Deb., 30 *et seq.*

<sup>10</sup>*Report from the Select Committee on Remuneration of Ministers*, December, 1920, Appendix I.

<sup>11</sup>*Report from the Select Committee on Ministers' Remuneration*, July, 1930, p. iv. See also the Home Secretary's introduction of the Second Reading of the Ministers of the Crown Bill on 12th April, 1937 (322 H.C. Deb., 639).

<sup>12</sup>Full-time ministers are not, however, debarred from holding part-time salaried posts unlikely to conflict with their official duties: See "general guidance" issued by Prime Minister, 25. 2. 1952, 496, H. C. Deb. 701-3.

<sup>13</sup>Prior to the Ministerial Salaries Act, 1946, the Assistant Postmaster General and the Parliamentary Secretary to the Ministry of Pensions received less than £1,500 per annum.

<sup>14</sup>Cf. *British Imperial Calendar and Civil Service List*, 1953, p. 18.

<sup>15</sup>6. 11. 1951, 493, H. C. Deb. 70.

<sup>16</sup>During the ensuing debate a number of M.P.s. referred to the cut in contemptuous terms in view of the fact that, owing to the high rate of income tax and surtax, the net saving to the Exchequer would be negligible. Cf. also 13. 11. 1951, 493, H. C. Deb. 819. A further effect of the abatement is that Ministers of State with a salary of £3,000 plus the additional £500 as Members of Parliament may receive a higher net salary than senior Ministers. This survey, however, is confined throughout to a consideration of gross salaries.

<sup>17</sup>1920 Report, p. iii.

<sup>18</sup>1930 Report, p. iv.

<sup>19</sup>Cf. *Halsbury's Laws of England*, 2nd. ed. Vol. VI, p. 666 and Cum. Supplement 1953, p. 71.

<sup>20</sup>Until 1892 the Law Officers could, in addition, engage in private practice without any restrictions.

<sup>21</sup>1930 Report, op. cit. Appx. I. The 1930 Committee were much more cautious, however, and reserved judgment on the 1920 recommendation for a cut in the Law Officers' income.

<sup>22</sup>25. 3. 1947, 435, H. C. Deb. 1074-5.

<sup>23</sup>4. 11. 1947, 443, H. C. Deb. 1533.

<sup>24</sup>*Report of the Select Committee*, 1920, p. iii. Ministers do not necessarily choose to live in their official residences: the Chancellor of the Exchequer does not at present occupy No. 11 Downing Street.

<sup>25</sup>Cf. 3. 12. 1951, 494, H. C. Deb. 2019.

<sup>26</sup>See *Report of the Inter-Departmental Committee on Expenses of Members of Local Authorities* (Cmd. 7126, 1947), para. 21. The Metropolitan Borough Councils could pay expenses incurred in conveying members on inspections.

<sup>27</sup>See 18. 11. 1947, 444, H. C. Deb. 1004 *et seq.*

<sup>28</sup>See Local Government Act, 1948, S. 111 and S.I. 1948 No. 1643, S.I. 1949 No. 1286 and S.I. 1950 No. 1416.

<sup>29</sup>For the Lindsay Committee's remarks on this point see *Report*, paras. 8 and 83.

<sup>30</sup>For a concise account see D. N. Chester, *The Nationalised Industries* (1951), p. 19 and p. 75. See also Acton Society Trust, *The Men on the Boards* (Nationalised Industry Series No. 4) 1951.

<sup>31</sup>Op. cit. p. 13 and "Public Corporations and the Classification of Administrative Bodies," *Political Studies*, Vol. I, No. 1. See also W. A. Robson (Ed.), *Problems of Nationalised Industry* (1952), p. 105.

<sup>32</sup>21. 5. 1953, 515, H. C. Deb. 2278-82.

<sup>33</sup>10. 6. 1953, 516, H. C. Deb. 22.

<sup>34</sup>*Ibid.* Cols. 209-12.

<sup>35</sup>Cf. 23. 5. 1950, 475, H. C. Deb. 1823-5.

<sup>36</sup>See Cmd. 8605 (1952) s. 8 and Cmd. 6752 (1946) s. 12.

<sup>37</sup>At the time when the Chairman of the N.C.B. received £8,500, there was an expense allowance for the Board as a whole of £10,000. Now there is an individual allowance for each full-time member, as shown.

<sup>38</sup>The composition of the Boards—and hence the salaries of their members—of Cable and Wireless Ltd., the Overseas Food Corporation and the Colonial Development

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Corporation were also rather different in 1948.

<sup>38</sup> 17. 2. 1948, 447, H. C. Deb. 183-4.

<sup>39</sup> See W. A. Robson (Ed.), *Problems of Nationalised Industry*, p. 104.

<sup>40</sup> *Report of the Broadcasting Committee*, 1949, Cmd. 8116, 1951.

<sup>41</sup> The National Governor for N. Ireland receives £600, to be raised to £1,000 should Broadcasting Council for N. Ireland be established.

<sup>42</sup> National Health Service Act, 1946, 3rd Sch. Pt. IV and 5th Sch. S.3.

<sup>43</sup> See the National Health Service (Travelling Allowances, etc.) Amendment Regulations, 1954 (S.I. 1954, No. 592).

<sup>44</sup> National Health Service Act, 1946, s. 40(e) and 6th Sch. S.3 and Civil Estimates 1952-53, Class V, p. 63.

<sup>45</sup> See National Coal Board, *Annual Report and Statement of Accounts for the year ended 31st December, 1947*, (H.S.M.O. 1948) Appx. V (similar details have not been published in subsequent Reports).

<sup>46</sup> 15. 11. 1946, 430, H. C. Deb. 475-486.

<sup>47</sup> *The Men on the Boards*, op. cit. p. 14.

<sup>48</sup> Robson, op. cit. p. 103. Prof. Robson does, however, criticise the lowness of B.C. salaries.

<sup>49</sup> Ibid. and H. Morrison, *How London is Governed* (1949), p. 136. The pre-war salary was £5,000.

<sup>50</sup> 2.4.1947, 435 H.C. Deb., 2023.  
<sup>51</sup> " . . . I have always taken it that the standard salary is the old-established salary for the majority of the greater Ministries, £5,000 a year " (12.4.1937, 322 H.C. Deb. 742).

### (Postscript)

Sir Winston Churchill announced in the House of Commons on 8th July, 1954, that the Government had decided to institute a sessional allowance to those members that wished to draw it at a rate of £2 for every day (other than Friday) on which the House sits.

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By A. H. HANSON

*Mr. Hanson's enquiries have brought to light an interesting early memorandum on the organisation of a nationalised coal industry.*

MR. CHESTER'S lecture to the Manchester Statistical Society, published in the Spring, 1952, issue of PUBLIC ADMINISTRATION, explains the main reasons for the Labour Party's adoption of the semi-independent, non-representative, ministerially-appointed Public Corporation as its main vehicle for the nationalisation of industry. It is clear, however, that much research remains to be done on the actual processes by which the new conception of nationalisation, so different from that which prevailed throughout the 1920s, came to dominate the thoughts of the most influential leaders of the Labour and Trade Union Movements. Although the Public Corporation idea enjoyed increasing popularity among non-Labour politicians, economists and business men after the establishment of the British Broadcasting Corporation and the Central Electricity Board, it did not become part of Labour's official policy until the early 1930s, and even then only after prolonged and acrimonious debates in Labour Party Conferences and Trade Union Congresses, where its protagonists had to fight hard for its full acceptance. Clearly, a process of "conversion" must have been taking place in the late 1920s, but it occurred so obscurely that materials for documenting it are very scarce.

The introduction into Parliament in 1931 of Mr. Herbert Morrison's London Passenger Transport Bill is, of course, a landmark; but this measure was the product neither of a Conference decision nor of a long-matured plan, fully discussed in the organisations of the Labour Movement, and there is abundant evidence that it gave a considerable shock to many sections of Labour opinion. Not only did it reject municipalisation; it jettisoned the whole idea of "joint control," which had been a basic feature of official nationalisation policies since the presentation of the Miners' Bill to the Sankey Commission in 1919.<sup>1</sup>

Even so, there was no general realisation in Labour circles that Mr. Morrison was quite consciously making a new departure in nationalisation policy. London transport, it might be argued, presented a distinct problem. The Labour Government, moreover, being dependent on the support of the Liberals, did not have a free hand in the formulation of its one and only essay in socialisation. The L.P.T.B., therefore, might reasonably be regarded as an *ad hoc* solution—the best that could be obtained under existing political circumstances—to a problem that demanded immediate treatment; and Labour might continue to hold its apparently firmly-rooted belief that "socialisation," as distinct from "capitalist nationalisation," implied at least a substantial share by the representatives of the workers in the control and administration of the industry concerned.<sup>2</sup>

Subsequent events, however, proved that Mr. Morrison and his associates were thinking in quite different terms. For them, the L.P.T.B. was no mere *ad hoc* solution; it was the pattern for future nationalisation. Their

ideas, therefore, must have been veering towards the Public Corporation for some time. Evidence for this may be found in William Graham's recommendation of the B.B.C. Charter as a model for further extensions of public enterprise<sup>3</sup>; in the Bill introduced by Mr. Maxton in 1926 for the nationalisation of the Bank of England<sup>4</sup>; and in Philip Snowden's well-known speech at the 1928 Labour Party Conference.<sup>5</sup> Attention might also be drawn to Mr. Attlee's declaration, in the debate on the Electricity Bill of 1926, that Labour Members did not "pin themselves down to any particular form of nationalisation."<sup>6</sup> These, however, were but straws in the wind. The first clear public formulation of the theory of the Public Corporation, from a Labour point of view, had to wait until the early 30s, with Mr. Morrison's conference speeches<sup>7</sup> and his authoritative *Socialisation and Transport*.

It is therefore of considerable interest to the hunter after origins to come across a memorandum drawn up as early as 1928 by two comparatively young Labour politicians, Emmanuel Shinwell and John Strachey, for a Public Corporation to run the coal industry. Their memorandum, which was unpublished and has apparently been forgotten, came to my attention when I noticed a rather cryptic reference to it in one of Mr. Strachey's parliamentary speeches of 1930. Its authors were kind enough to resurrect a copy for me, and I am indeed grateful to them; for it is a most rewarding find. In many respects, the Shinwell-Strachey memorandum for the coal industry anticipated the form of nationalisation subsequently adopted by the Labour Party and operated by the third Labour Government.

They were stimulated to express their opinions by the Labour Party's adoption of the policy embodied in the pamphlet *Coal and Commonsense*, a popular version of the Party's and the T.U.C.'s evidence before the Samuel Commission of 1925-6. This complex scheme,<sup>8</sup> which presumably remained official policy until the publication of *Coal: the Labour Plan* in 1936, attempted to combine "joint control" and consumer representation with "expert" direction of policy and a limited ministerial responsibility. An expert Power and Transport Commission, attached to the Board of Trade, was to regulate the coal, electricity, gas and transport industries, and exercise general policy control over a Coal and Power Production Council, the body responsible for the administration of the coal industry. The C.P.P.C., which was to contain, in addition to an official element, representatives of the miners and of the managerial staffs in equal numbers, would devolve some of its duties on Provincial Councils, similarly composed. At the level of the unit of production, there were to be Pit and Works Councils of eight members each, four elected by the workers, with mainly advisory powers. In addition, there was to be a representative Consumers' Council which, meeting jointly with the C.P.P.C., would exercise authority over wages and prices. In the event of this joint body's failing to agree on wages, provision was made for referring the dispute to a special court; disagreements about prices were to be settled by the President of the Board of Trade or by some independent tribunal constituted by him. The Secretary for Mines was to preside over both the C.P.P.C. and the Consumers' Council, but his parliamentary responsibilities would be limited to questions of general policy and the provision of information. Nevertheless, as Chairman of both National

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Councils, he was expected to wield "considerable influence."

This plan represented a distinct modification of the "joint control" ideas embodied in the 1919 Bill, which had so strongly influenced labour thinking in the early 1920s. One recent writer, in fact, considers it as marking the end of the epoch in which these conceptions played a predominant role.<sup>9</sup> But it made no decisive break with them. On the contrary, it attempted to get the best of all possible worlds, and seemed likely, as the Samuel Commission pointed out, to get the worst of them. The Commission strongly disliked its diffusion of responsibility over a number of separate boards and commissions, and considered that it placed the Secretary for Mines in an ambiguous and invidious position.<sup>10</sup>

Strachey and Shinwell, in their memorandum, agreed with the Commission's strictures. Admitting that the question of the administration of nationalised industry, "involving as it does the whole range of socialist principles, and raising inevitably such questions as workers' control, centralised departmental management versus guild-like conceptions, etc., etc.," is "a thorny one," they suggested "that a comparatively new and valuable approach to the problem may be found in regarding the question purely and simply as a business one." "After all," they said, "the first essential for any scheme of nationalisation is that it should work efficiently. Unless it does that, it will have to be abandoned, and Socialism discredited for generations. It may be that it will be wise to set up an industrial organisation which would have the maximum chance of attaining efficiency, even if it fell short of our ideals of what an industry should be. When once efficiency has been obtained, and the national industry was well established, improvements could easily be introduced."

The application of such a "business efficiency" test clearly rules out the departmental form of organisation. Even if the Department of Mines set up "a Mining Council of full-time paid administrators, . . . since the actual legal ownership of the capital involved would remain in the hands of the Department, the members of such a Council must be controlled at every point by regular Civil Servants, and their financial transactions subordinated to the Treasury"—to which "well-known objections" apply. The proposed test also throws grave doubts on the workability of Labour's "Power and Transport" scheme.

Our fundamental difficulty about [the latter] proposals is the question of executive power, which the proposals seem to us to diffuse over a number of committees, councils, etc. Nor is the question of the actual legal ownership of the industry, as between these councils and the Government department or minister, clearly defined. We cannot help feeling that there is, therefore, some substance in the criticism of the Samuel Commissioners, who suggested that the scheme placed upon the shoulders of the Minister of Mines responsibility to Parliament for the good conduct of the industry which, in fact, he could not discharge, as his executive authority had been dissipated amongst various other bodies. If these bodies, however, were purely advisory, the reality would have gone out of them and they would become redundant.

To solve these difficulties, they proposed the vesting of legal ownership

of the coal industry in "a Public Utility Corporation of a special type." This body would issue to the Government "debenture stock to the same amount as the Government had paid to the mine owners in compensation" and, so long as it paid the interest regularly, its Directors "would be perfectly free to conduct the industry within the legal limits, which would have to be laid down by Parliament, . . . as they pleased." This arrangement would have the advantages of clearly defining the responsibilities of the Government, of freeing the Directors from Treasury control, of enabling surpluses to be used for the development of the industry, and of making the Directorate of the Mining Corporation "quite definitely and unquestionably the body in control of the mining industry." The last of these is of paramount importance. "It would be clear to everybody where power resided; the directors would be free to make quick decisions, to act strongly and decisively in a way which is so essential to the successful conduct of any great enterprise."

"But we are far from advocating," say the authors, "that this Mining Corporation should be the unlimited despot of the industry." Its powers would be limited by the Nationalisation Act, which "would, in fact, be the Charter of the Corporation, just as the Act of 1844 was the charter of the Bank of England, or as the Port of London Act set up a Charter for the Port of London Authority." By this means, the Directors would be compelled to observe certain minimum standards in respect of miners' wages and hours, to carry out safety and welfare regulations, to consult with a representative Coal Consumers' Council, to hold regular meetings with the Executive of the Miners' Federation, to apply the principle of promotion from the ranks, and to submit disputes about wages to a quasi-judicial tribunal. But the memorandum makes it abundantly clear that, within the law relating to the mining industry, the Directorate should be entirely free. No Minister is to give it orders or to take parliamentary responsibility for its actions.

The Directors should consist of full-time administrators, sufficiently well paid to be immune from the temptations of "other, more lucrative positions in capitalist industries." Initially, they should be appointed by the Charter of Incorporation itself, and should not be liable to dismissal unless the Corporation failed to pay the interest on its debentures. In making appointments, the State should endeavour to secure the services "of several men of proved industrial ability, men of the type of Sir Josiah Stamp or any of the younger and more elastically-minded big industrial administrators"; but "some of the present directors of companies, etc., who have proved their capacity" should be retained. Two or three of the Directors should be able "to look at the industry as a whole," but others should have functional responsibilities. "Thus, it would be necessary to attract at least one man thoroughly familiar with the export side; one specialist in coal carbonisation and the pre-treatment of coal; one specialist in mining technique, the sinking of new shafts, the development of new areas, etc., etc." In addition, there should be Directors with "a Labour and Socialist standpoint on the industry generally" whose "special care would be for the workers in the industry."

Shinwell and Strachey had little to say about the internal organisation of the industry, being of the opinion that that "would be the affair of the Mining Corporation." One thing they were quite certain about, however,

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was that no opportunities whatever should be provided for "workers' control," as currently understood.

We do not propose that the present trade union structure . . . should be used as an instrument for the conduct of the industry. The existing trade union structure has been designed to protect the interests of the men and is efficient for that purpose, but for that purpose alone. To attempt to use this machine for administering a great industry, a purpose for which it was never intended and is totally ill-designed, would, in our opinion, be nothing short of disastrous.

Even the appointment of some members of the Directorate by the M.F.G.B. would cause "great difficulties"; for

apart from the fact that at present, unfortunately, the Miners' Federation does not represent by any means all the men in the industry, those of its officials who were appointed to the Directorate would find their whole time and energies devoted to the Management side. They would at once lose all hope of keeping their trades union position and attitude of mind. Psychologically, they would be almost bound to "go over to the Management"; the men would undoubtedly feel this and they would lose all influence as leaders. (It is useless to suppose that the old distrust of the Management would immediately disappear under nationalisation.)

The Union, therefore, "should be left in its present position of representing the men's special interests." Nevertheless, it "would be so important and so powerful that it would necessarily have to be consulted by the Directorate . . . when any big issues of policy arose," and the Charter should definitely provide for regular meetings between Directorate and Union.

The objection that under this scheme "the workers would have no more control than at present over their industry," rests on a misconception. Workers' control would "arise from the fact that all the officials . . . would naturally and inevitably be recruited from the industry itself."

The Mining Corporation would be organised like the Napoleonic Army, in that promotion could only come from the ranks. . . . We feel convinced that this question of promotion from the ranks, the abolition of the organised nepotism of a privately owned industry . . . is the reality of the question of workers' control.

It is necessary, however, that "the men should be consulted collectively from time to time," and this can be provided for by the establishment of pit committees. But "these pit committees would not, *of course*" [my italics], "have any executive powers. The mine manager would remain individually responsible for the production and general efficiency of the mine to the Provincial Council and to the Mining Corporation. These pit committees would only be designed to assist him in carrying out his duties."

Finally—doubtless in order to forestall a certain type of "left-wing" criticism of their scheme—the two authors fortified themselves, as Mr.

Morrison himself was to do later, with an appeal to the experience of the Soviet Union.

We may point out that the form of industry which we have suggested closely resembles that which is being established as a result of trial and error in the great Russian industries under the Soviet. We have called our industry a "Public Corporation"; in Russia the mining, metal, textile, oil industries, etc., etc., are all managed by "State Trusts." The names are different, but the form of organisation is very similar. There in Russia, too, the trades unions . . . are increasingly assuming the separate character, distinct from the management of the industry, which we have suggested. In Russia, again, the reality of workers' control has been achieved not so much by elaborate pit councils, committees, etc. (valuable as these may be in some cases), as by securing the principle of promotion from the ranks. It is interesting to note that a writer in *The Economist* recently remarked that the form of organisation, described in Russia as a State Trust, was undoubtedly destined to be the future form of all publicly owned industries.

This memorandum has been completely forgotten probably because it was produced at an inopportune time. Although the ideas of "workers control" and "joint control" no longer inspired the enthusiasm that had been devoted to them in the early 1920s, the Labour and Trade Union Movements were by no means ready to accept "managerial socialism." That is the reason why it was never published. "The reception of it," writes Mr. Strachey in a letter to me, "by the officials of the Miners' Federation of Great Britain and those politicians to whom we showed it was much too hostile. It is very amusing to look back on that now, when just such schemes are the orthodox pattern. We were premature Public Corporationists!" Professor Tawney, who was partly responsible for *Coal and Commonsense* and closely in touch with the M.F.G.B. at this time, does not recollect that he ever saw it. "Nor do I recall," he writes to me, "hearing it mentioned by Cook and Herbert Smith, or other leaders of the miners. . . . By 1928 the coal situation was very different from that of 1925 and 1926. The miners were no longer as much preoccupied with nationalisation as they had been." But it deserves to be rescued from obscurity, as it constitutes a significant and instructive episode in the story which Mr. Chester tells in the lecture to which the present article is a footnote.

<sup>1</sup>Mr. Morrison's spirited defence of his apparent *volte-face* still makes interesting reading. See *H.C. Debates*, Vol. 250, cols. 52-9.

<sup>2</sup>It is significant that at least one of the transport unions, the Railway Clerks' Association, in its evidence before the Royal Commission on Transport (1929-31), was still advocating a form of "joint control," together with full ministerial responsibility. See *Minutes of Evidence*, Memo. No. 7, p. 166, para. 9, and p. 167, para. 12; also Questions 2218, 2222, 2254, 2317. It is noteworthy, however, as indicating the subtle changes that were taking place in trade union policy on workers' control, that Mr. Walkden claimed only the right of the unions to nominate candidates for half of the membership of the Transport Commission, and specifically stated that appointed nominees should give up their trade union offices (*ibid.* p. 186, Qs. 2398-2402). Mr. Bromley, for the A.S.L.E. & F., went even further, denying that the unions as such needed to be represented at all. Mr. Cramp, for the N.U.R., refused to commit himself to any particular form of nationalisation (p. 160, Q. 2095). Evidently, these three union leaders, in varying

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degrees, were feeling their way towards the "new" type of nationalisation that found dear-cut expression in the General Council's *Trades Unionism and the Control of Industry* of 1932 (*T.U.C. Report*, 1932, pp. 206-19).

<sup>3</sup>See *Encyclopaedia of the Labour Movement* (ed. H. B. Lees-Smith), Vol. II, p. 95; and *H.C. Deb.*, Vol. 199, cols. 1590-1.

<sup>4</sup>Bill 18 of 1926.

<sup>5</sup>*Labour Conference Report*, 1928, p. 232.

<sup>6</sup>*H.C. Deb.*, Vol. 199, col. 1440.

<sup>7</sup>*Labour Conference Reports*, 1931, pp. 172-3; 1932, pp. 211-4.

<sup>8</sup>See *Report of the Royal Commission on the Coal Industry* (1925), Vol. II, Evidence, pp. 1020-5.

<sup>9</sup>Geoffrey Ostergaard, in an unpublished Oxford D. Phil. thesis. This most interesting work contains a critical account of the development of Socialist ideas about the management of nationalised industry. See his *Labour and the Development of the Public Corporation* in "The Manchester School of Economics and Social Studies."

<sup>10</sup>*Report of the Royal Commission on the Coal Industry*, Vol. I, Report, pp. 64-70.

## INSTITUTE PUBLICATIONS

The following are some of the publications issued under the auspices of the Royal Institute of Public Administration. Members ordering books direct from the Institute's offices may obtain them post-free at the prices shown below in brackets.

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This series of books on the organisation and work of the main government departments is being prepared with full official co-operation. The first two volumes, on the Home Office by SIR FRANK NEWSAM and the Foreign Office by LORD STRANG, will appear in 1954. Work is in progress on the volumes dealing with the Colonial Office, Ministry of Labour and National Service, Board of Trade, Ministry of Agriculture and Fisheries, and Ministry of Transport and Civil Aviation.

**British Government since 1918.** Edited by D. N. CHESTER. Foreword by LORD WAVERLEY. 1950. Pp. 232. 16s. (11s. 6d.).

A symposium describing and discussing the far-reaching changes which two major wars and periods of economic crisis have caused in the scope and structure of the main branches of British Government.

**Introduction to French Local Government** by BRIAN CHAPMAN. 1953. Pp. 238. 18s. (13s. 6d.).

This book is the first post-war study in either French or English of the institutions and law relating to French local government, and of the current practice in French local administration. The author succeeds in giving a living picture of local institutions at work.

**Financial Control: Its Place in Management.** Foreword by SIR EDWARD BRIDGES. 1951. Pp. 89. 6s. 6d. (4s. 6d.).

A symposium comparing the place of financial control in the management of a government department, a local authority, and an industrial undertaking, with a concluding chapter by OSCAR HOBSON, City Editor of the *News Chronicle*.

**Autonomy and Delegation in County Government** by EMMELINE W. COHEN. 1952. Pp. 90. 6s. (4s. 6d.).

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## Recent French Administrative Reforms

By BRIAN CHAPMAN

*This note deals with recent changes in the system of Administrative Courts and with the authority of the Prefect over other State Officials in his area.*

**A**MONG the series of decrees passed by M. Laniel's government last summer two were of great importance. The first was the reform of the jurisdiction of the administrative courts ; the second was designed to revert to the pre-war pattern of local government in which the Prefect was the sole, unchallenged government authority in the Department. Both these measures will have to be taken into account in any future work of value on French government.

### *Reform of the Jurisdiction of the Administrative Courts*

The first reform tackled a long-standing problem which has threatened the efficacy and even the authority of the administrative courts. It concerned the jurisdiction of the two levels of administrative courts in France, the *Conseils de Préfecture Interdépartementaux* and the *Conseil d'Etat*. Until the new decrees were passed the *Conseils de Préfecture* (the lower courts) had only a restricted competence : unless a specific legal text provided otherwise, the *Conseil d'Etat* was the competent court. The latter was in technical language the *juge de droit commun en matière administrative*, and this meant that in addition to its duties as the administrative court of appeal, it had to act as the court of first instance in all cases not directly assigned by law to the jurisdiction of the *Conseils de Préfecture*.

This principle dated from the creation of the administrative courts by Napoleon and had, over the course of time, led to an extremely complicated situation. By 1953 questions concerning the powers of administrative authorities or the legality of administrative actions were normally dealt with by the *Conseil d'Etat* directly, as were many classes of actions for damages against public authorities and litigation involving the status and rights of *fonctionnaires*. On the other hand, the *Conseils de Préfecture* were empowered to deal with claims for damages arising out of public works contracts, and with litigation between local authorities and their own officials. They also dealt with most affairs concerning the powers, operations and election of local authorities, but there was no clear line between what they could handle and what they could not. The growth in the number of public authorities and the influence of executive action upon the citizen as a result of post-war legislation led inevitably to a great increase in administrative litigation, much of which had to go directly to the *Conseil d'Etat*. The result was that the judicial section of the *Conseil d'Etat* was subjected to an intolerable pressure of work, and the number of cases awaiting judgment rose every year at a higher rate than the number it had been able to decide. In 1947 there was already a backlog of 15,000 cases awaiting decision ; in 1949 this was 19,000,

and by the beginning of 1953 it had risen to 24,000 cases ; and this in spite of intensive efforts within the *Conseil* to speed up the judicial process. On an average the *Conseil d'Etat* makes about 5,000 judgments every year, so the backlog was causing great disquiet ; the private citizen might have to wait for over five years before obtaining redress for what might be a flagrantly illegal action by an administration. Indeed, well-informed critics alleged that some administrations knowingly acted beyond their powers since they could be sure that by the time the case reached the trial stage it would be quite impracticable to reverse the results of their actions.

For a long time the *Conseil d'Etat*, politicians and jurists pressed for a reform of the system. The Decree of 30th September, 1953, completed by the Regulation of 29th November, 1953, is the result of this long agitation. The traditional principle has been completely reversed. The reform has changed the name, status, powers and jurisdiction of the *Conseils de Préfecture Interdépartementaux*. They have been transformed into *tribunaux administratifs* and they have the same areas of jurisdiction as the 22 *Conseils de Préfecture* (plus three others in Algeria) ; each is a regional body grouping four or five Departments with a special one for the Department of the Seine to deal with the numerous and complex affairs of the capital.

The principle of jurisdiction has been reversed, and the *juges de droit commun en matière administrative* are now the *tribunaux administratifs* and not the *Conseil d'Etat*. Henceforth the *Conseil d'Etat* will sit as a court of first instance only in a small number of cases of special importance : litigation concerning the legality of decrees, regulations and ordinances of general application promulgated by Ministers ; cases within the territorial jurisdiction of two or more *tribunaux administratifs* ; issues arising out of the statute and decisions concerning the rights of *fonctionnaires* ; litigation involving those senior state officials who are appointed by decree. These officials are in positions of far-reaching public influence ; they include *recteurs* of the universities (who are the highest administrative educational authority in their region), Prefects (who are the keystone of all French local government), and Directors of Ministries (who are responsible for a complete branch of national administration). Except in these, and other instances to be decided later, the judicial section of the *Conseil d'Etat* will from now on act only as the court of appeal from the *tribunaux administratifs*.

The Regulation of 29th November, 1953, fixed the starting date for the new system as 1st January, 1954. The *Conseil d'Etat* is in the process of classifying the cases which must be sent down for judgment to the *tribunaux administratifs*. The Regulation also determines the circumstances in which litigation is exempt from court charges and legal fees.

An important section of this Regulation concerns the status of the *conseillers* of the *tribunaux administratifs*. One factor in the minds of many who pressed for the reform was lack of confidence in the capacity of some of the *conseillers* : it was generally believed that standards could not be appreciably raised without increasing the prestige and pay of the office, and that only a wide experience of as many branches of administrative law as possible would increase their general competence. Some attempt to improve the status and quality of *conseillers* was made at the time of the post-war

Civil Service reform when the *Ecole Nationale d'Administration* was created. The post of *conseiller de préfecture* was made one of those for which the School prepared its students, yet despite this official recognition the post was one of the least attractive to the graduates, and was frequently filled by the lowest in the final lists. The difference in prestige and opportunities between those who were appointed *conseillers de préfecture* and those who entered the *Conseil d'Etat* as *auditeurs* was immense and no *conseiller* could seriously hope to bridge it. The new reform has done something to remedy this. Members of the *tribunaux administratifs* must come from the E.N.A. and be promoted by merit, and *maîtres des requêtes* of the *Conseil d'Etat* and members of other *grands corps* can be called upon to serve on the *tribunaux*. One suspects that this is only a sop to injured pride, for it seems highly improbable that any *maître des requêtes* would willingly accept such an appointment (except perhaps to the *tribunal administratif* of the Seine) and the transfer is likely to be regarded as a disciplinary measure. On the other hand the decree requires one *conseiller d'Etat* and two *maîtres des requêtes* to be recruited to the *Conseil d'Etat* from among the members of *tribunaux administratifs*. Provision for such appointment already existed before the reform, but these three appointments now appear to be mandatory on the Government. This is a small but real advance.

More important is the new legal position of the members of the *tribunaux*. The decree states that they are to receive a special statute of their own on the model of other special state corps. One provision that must have a place in this statute relates to the control and discipline of the *conseillers*. When the *conseils de préfecture* were first created they were not only judges of administrative law, but also advisory committees for departmental administration. They were, as a consequence, presided over by the Prefect. With the growth of administrative law and the liberal conscience it was felt that justice did not always appear to be done with the Prefect acting both as head of the administration and chairman of the administrative court; so the president of the *conseil* came to be nominated from among the *conseillers*. The *conseil* remained under the administrative authority of the Prefect, however, and when, in 1926, the *conseils de préfecture* were regionalised, the Prefect of the Department in which the court sat assumed this duty. It is still very common today to find the court rooms inside the Prefecture, and until now the *conseillers* have been appointed and controlled by one of the divisions of the Ministry of the Interior.

The position has long seemed ambiguous both for the Prefects and for the *conseillers*: there was no effective answer to allegations of prefectoral pressure. Article 32 of the Regulation of 29th November, 1953, has now transferred the administrative control of the *tribunal administratif* from the Prefect to the president of the court himself, under the direct supervision of Paris. In addition, conversations have begun between the Ministry of the Interior and the Ministry of Justice on the draft of the new statute for the members of the *tribunaux administratifs* so as to ensure their complete independence *vis-à-vis* the executive. It is not clear whether responsibility for the *tribunaux* is to be transferred from the Ministry of the Interior to the Ministry of Justice, but since the formal head of the *Conseil d'Etat* is the Minister of Justice it would seem the most convenient and logical solution.

*Reform of Local Administration*

The second major reform undertaken by the Laniel decrees was to strengthen the authority of the Prefects in the Departments. This has inevitably been seized upon by the Government's opponents as a political move, but a student of French administration might well regard it as a sensible and needed administrative reform, designed to remedy a situation of diffused responsibility more in the English than the French tradition.

In simple terms the situation is this. From the foundation of the Prefectoral Corps in 1800 until 1939 the Prefect was regarded as the sole representative of the Government in his Department. He was nominated by decree on the advice of the Minister of the Interior, but he was held to be the direct personal representative at the departmental level of all the Ministers individually as well as the legal agent of the Government and State. Consequently, when a Minister wished to delegate powers of decision to a lower authority, he did so by granting such powers to the Prefect, who in turn delegated them to the particular Minister's official in the Department. He acted as the funnel between Paris and the Department. In practice this did not mean that the Prefecture was a bottleneck stultifying the schemes of ambitious officials in the Department. It meant instead three things. First, that the Prefect, restricting his role to that of general administrator of departmental affairs and co-ordinator of technical services, could require all other officials (Army and Judiciary excepted, of course) to give him information, and he could lay down the general lines of policy that should be followed. He was responsible for the *general* direction of affairs. Second, it meant that the staff in the Prefecture assumed all the administrative tasks, leaving the technical services free to devote themselves to their own specialisms. Third, it meant that the heads of the technical services were freed from the preoccupations of politics: in France intervention in administration by Deputies, Senators, departmental councillors and influential mayors is a traditional political game, and the politicians are perfectly capable of discovering where real authority lies, and bringing pressure to bear on it. Concentration of authority into the hands of the Prefect meant that officials were less likely to be "got at" by the politicians. The Prefects were, by the same token, even more exposed to pressure, but at least they were trained to accept it as part of their job and to develop appropriate diplomatic techniques to deal with it. The supremacy of the Prefects in the Department has been the mainspring of the efficiency of French administration.

For various reasons this supremacy was subjected to formidable attacks in the period after the war. The Left (when it is out of power) has a traditional distrust for the Corps, and several attempts were made to shift the burden of responsibility for the weakness of the politicians of the Third Republic and for the crudities and brutalities of the Vichy Government on to the Corps as an institution. During and after the war a host of economic and social regulations were issued by various Ministries to deal with the special problems of the period. At this time many Ministries developed the habit of corresponding directly with their own officials in the Department, over the head of the Prefect. He might find by accident that the officials of two Ministries (or sometimes of the same one) were pursuing conflicting policies

in the Department. Several Ministers, and more importantly several ministerial directors, were quite happy to perpetuate and extend this state of affairs on the grounds that it might eventually end the Minister of the Interior's supremacy in internal affairs. During the war some Ministries delegated powers of decision directly to their own officials, others instructed them not to act without the prior consent of the Ministry in Paris. The result was deplorable interministerial rivalry, inefficiency and lack of foresight; technical Ministries, busily engaged in buttressing their own bureaucratic strongholds, duplicated the administrative staffs of the Prefecture in order to be independent of the Prefect. Administrative formalities had frequently to be done twice, sometimes with two results, and technical officials, recruited for their specialised experience and knowledge, spent most of their working week engaged in administrative routine, work which was not necessary and for which they were not competent.

After 1947 some sort of order emerged as the post-war Prefects managed to assert themselves, and some of the worst instances of over-centralisation were remedied. But this was as much due to the high personal qualities of the Prefects as to any formal enactment. Since 1949 a series of strong Ministers of the Interior have been pressing upon their colleagues the need for a clear statement of principle so that the precise legal supremacy of the Prefects should be known. The reforms of 26th September, 1953, were the culmination of these attempts, and they are designed to restore the traditional conception of the Prefect as co-ordinator of all services and the director of general policy in the Department. These reforms were not only intended to end inter-service rivalries and questions of prestige. They were designed to fit into the general pattern of administrative reform which has been slowly proceeding during the last four years. In broad terms this policy is to bring the administrator into closer contact with the administered: to deconcentrate powers from the Ministries to the Prefect, from the Prefect to the Sub Prefect, and, occasionally, from the Sub Prefect to the mayors. Other parts of the reform are destined to remove much useless paper work and some administrative formalities.

The introduction to this set of decrees states clearly and decisively that the Prefect shall not only co-ordinate the activities of all other state officials in his Department, but that he alone shall be responsible for the general direction of affairs. The difference in terminology is to stress that the Prefect is not simply the chairman of committees, but that in addition he is responsible for initiating general policy and for controlling the execution of that policy by other officials, no matter to which Ministry they may be legally attached. Only officials of the Ministry of Justice are exempt from this provision. To reinforce his authority the Prefect is also given the right to make annual reports to their Ministries concerning the activities and personal capacity of all the state and *départemental* officials. More importantly, Ministers may delegate powers of decision only to the Prefect in the Department, and no longer directly to their own officials. The Prefect will re-delegate the powers he receives. A subsequent Regulation, however, allows Ministers to continue to delegate powers directly to their own officials when they already do so, but those not expressly re-delegated by a new

ordinance before January, 1954, will automatically be transferred to the Prefect. Despite this later provision these various measures should leave no question of the Prefect's supremacy as the sole representative of the State and Government in the Department.

A second decree lists a new group of subjects where the Prefects, and no longer the Ministries, are empowered to take definitive decisions. These are in the fields of public health, public safety, agriculture and agricultural insurance, and urban cemeteries. Several of these decisions had previously been the subject of inter-ministerial decisions with a consequent trail of paper from Prefecture to Ministry and from one Ministry to another. Further powers of decision have been given to the Prefect in those cases where ministerial approval was automatically given once certain conditions had been fulfilled: for example, that a standard model contract be used in applications to set up a pension fund for firemen. The Prefect's powers of nomination to certain committees in the Department have been increased. A further step to lighten unnecessary complexities of administrative procedure has been to abolish some 25 *départemental* committees, and transfer their powers to the Prefect. But there remain almost another 200 committee in the Department, most of which have the Prefect as chairman; one would not have far to search to find many other committees which could usefully be abolished.

Most striking to the English eye, and a proof that this reform is to be taken seriously, is the new rule governing central approval of local decisions. This is quite simply that whenever the Prefect forwards a proposal to a Ministry he may assume his recommendation approved if the Ministry has not replied within two months. This is naturally of great importance for the general public for whom the delays of the central administrations have long been a bad joke. But such a reform is, of course, only possible with a system in which the Government has its local representative superior in authority to all other state officials, and in whom it has implicit trust.

Procedure has been simplified in other fields. Some powers of decision have been transferred from the Prefect to the Sub Prefect, principally the ratification of financial decisions of *conseils municipaux* in those cases where the Sub Prefect is already authorised to ratify the communal budget. In one or two cases powers of decision have been transferred from state officials to the mayors. But these are of very minor importance—for instance, issuing hunting licences. There is no sign in these decrees of any move to revert to the decentralising tendencies of the early Third Republic. But they are a salutary reaction against the over-centralisation of affairs in the Ministries in Paris.

# The Recruitment of University Graduates to the Commonwealth Public Service

BY SOLOMON ENCEL

*Mr. Encel's essay won the Sir George Murray Competition held by the South Australian Group. Mr. Encel is Lecturer in Political Science in the University of Melbourne and a member of the Victoria Group.*

THE legislation which established the permanent public services of the States and the Commonwealth in the period close to the turn of the century was framed in the dominant spirit of Australian egalitarianism. It rejected the social distinctions built into the strongly differentiated recruitment system of the British civil service, while simultaneously ignoring the latter's basic assumption of broad intellectual training as the essential element in the make-up of an administrator. Entry into the Commonwealth service, as laid down in the Act drafted by Alfred Deakin, the first Commonwealth Attorney-General, in 1902, depended on an elementary level of education, with university degrees recognised only as certificates of professional competence required by the engineers, architects, lawyers, chemists and doctors employed as public officials. The Commonwealth Public Service Act embodied principles already found in the legislation of New South Wales, Victoria, and Queensland, so that it may be considered representative of the general tenor of Australian thinking on this subject. During the 50 years that have passed since the setting up of the Commonwealth service, many changes have taken place in Australian society and in the scope of Federal Government activities, which have been reflected in the greatly changed character of the Service. Despite this, the basic principles of the Act remain practically unchanged, so that the Service now presents the spectacle of a shotgun wedding between strictly egalitarian theory and strongly differential practice.

How this situation has developed may now be reviewed.

## *The "Leaven" of University Training*

In 1925, the Commonwealth took its first tentative step in the direction of encouraging higher education among its public servants. The Public Service Board, set up under the new Act of 1922 and charged under Section 17 with the duty of maintaining a continuous check on the efficiency of the Service, introduced a scheme of "free places"—i.e., free part-time university training for selected officers. The Board's second annual report (1925) stated: "In pursuance of its endeavours to establish and maintain an efficient Public Service, consideration has been given by the Board during the past year to a general policy of co-operation with universities and other educational agencies, which has been set forth in the following terms:

- (1) Close co-operation with Australian Universities in the recruitment and training of public officers . . .
- (3) The employment in specialised and higher professional and administrative positions of officers who have graduated at Australian and other universities of the British Empire.

(4) The encouragement of officers at present in the Service to attend university courses and to proceed to degrees."

Three years later, the effect of the scheme was again assessed : " With the passage of time the new scheme of free studentships will have developed to such an extent as to influence definitely the standard of mental training of members of the Public Service, and also provide an improved field of selection of officers for promotion to higher executive and professional posts."

The purpose of the scheme, under which about 18 candidates were selected each year, was thus to improve efficiency by providing a number of university-trained men for promotion to higher positions, on the theory that a "leavening" of higher officers with academic training would benefit the Service. It was also felt, presumably, that opportunities should be given to Public Service employees who had been economically debarred from attending the universities.

According to the 28th annual report of the Board (1952), 195 free place holders had completed degree or diploma courses. Of these, 128 were in economics, commerce or public administration ; 33 in science or engineering 20 in law ; and only 13 in Arts.

The inadequacy of such a scheme for providing the Service with trained minds hardly needs elaboration. Part-time cramming is no substitute for full-time education. As R. S. Parker observes : " The average officer is unlikely to derive the full educational benefit from the work involved. The natural temptation is to 'cram' sufficiently to obtain the minimum marks required for a pass "<sup>1</sup> ; and again, " The officer is deprived of most of those elements in a University education which have been regarded as of the utmost value to the future administrator : the cultural and social activities outside the lecture-room which make such varied calls upon the individual's personality."<sup>2</sup>

Another weakness of the scheme has been its fairly high wastage. Over 500 free places have been allotted since the scheme began to operate, but in 1952 only 195 holders had completed courses, with 74 still current. This gives a failure rate of over 50 per cent. Moreover, out of 89 who had completed courses between 1928 and 1938, only 11 were, in 1951, occupying positions at the level of Assistant Secretary or above, and not one had reached the headship of a department.

#### *The Beginnings of Graduate Recruitment*

Pressure for the appointment of graduates as clerical and administrative officers appears to have mounted steadily during the 1920s, with the expansion of university education and the growth of the salaried and professional classes which accompanied the increasing industrialisation of the country. Pressure came from the universities themselves, looking for employment for their growing number of graduates. (From 6,900 in 1927, the total number of university students rose, in spite of the depression, to 9,800 in 1933, and 10,200 in 1934.) The British Economic Mission of 1928, which observed in its report that " our enquiries lead us gravely to doubt whether the system followed in Australia sets out to attract the best available talent,"<sup>3</sup> also stimulated action in this direction. The decision to appoint graduates was made in 1930, but legislation was deferred because of the depression. In 1933, however, the Act was amended by the insertion of Section 36A,

which permitted graduate recruitment subject to three safeguards :

- (a) The recruit must be under 25 years of age ;
- (b) The quota for one year should not exceed 10 per cent. of the total recruitment to the Third (clerical) Division ;
- (c) The commencing salary was to be within the ordinary range of new entrants to the Third Division.

The system of recruitment, and especially of advancement, can in no sense be compared with the British Administrative Class. The wording of the third clause was interpreted in practice by giving graduates, on entry, the salary they would have received if they had entered the Service at 16 and received automatic annual increments until the age of 21 ; their remuneration, consequently, took account only of their age and not their qualifications. This, and the limitation of the quota to 10 per cent., was clearly done to placate the staff associations. A point of view essentially similar to that of the latter was expressed during the debate on the Bill by some Labour members; Mr. Beasley (West Sydney) declared, for instance, that "it is obvious that the intention of the Government is to bring members of the wealthy class into the public service so that they may eventually occupy the best positions over the heads of men of experience who have been in the Service practically all their lives".

The reality of the lack of educational opportunity has been amply demonstrated. J. A. La Nauze estimated that in the 1930s the ratio of adolescents actually receiving a university education to those capable of receiving one varied from 30 per cent. in Victoria to 20 per cent. in New South Wales and 10 per cent. in South Australia. The balance was also weighted heavily in favour of students from private schools, although primary education is largely at public cost.<sup>5</sup> N. K. Henderson underlined this latter point by showing that, in 1939, one-third of all secondary schoolchildren in Australia were educated at private schools, compared with one-quarter in Britain and one-sixteenth in U.S.A., while governmental expenditure on education was among the lowest in the world.<sup>6</sup> However, the attitude of the public service staff associations is decidedly equivocal, for they persist in refusing to admit the distinction between the ability required to perform routine clerical work and that required for the planning and co-ordination entailed in higher administration ; the distinction between merely passing a collection of specialised university subjects and the mental discipline imposed by a comprehensive university education. The secretary of the New South Wales Public Service Clerical Association declared in 1945 that the proposal for graduate recruitment, made at various times since the Allard Royal Commission on the N.S.W. State Public Service in 1918, "overlooks the fact that many men who entered the Public Service at the Intermediate and Leaving standards, later graduated at a University and have served the State with distinction in the highest administrative positions. The Association believes that training with the service of younger members of the staff, together with the study required to pass the grade examination, equips them for the performance of administrative duties." He adds that "too much emphasis has been laid on the term 'routine work.' The performance of much of the so-called routine work forms a most important part in the training

of juniors and gives them a knowledge of detail which is invaluable to them as they progress in the service."<sup>77</sup> He argues, somewhat disingenuously, that writers on public administration agree with his viewpoint, and cites Professor Leonard White in support. White, however, is careful to stress that, while promotion from below is the correct method, "the new forms of public service require to an unparalleled degree competent general administration . . . for this task special qualities of personality and special types of experience are needed . . . promising officers who show these qualities should be selected at an early age for the higher administrative tasks."<sup>78</sup> The same point was made by the MacDonnell Commission in Britain in 1914, when it observed that "there is no worse training for the real duties of administration, which requires freshness of mind, individuality and judgment, than a long period of routine work . . . fitness for administrative work should be ascertained as early as possible."<sup>79</sup>

The value of a good academic record for the duties of general administration is confirmed by the careers of the great majority of the graduates recruited between 1934 and 1941. Some figures may be of interest. During this eight-year period (after which operation of Section 36A was suspended until 1948) 67 graduates were admitted out of 204 applicants. This number was far below the quota of 10 per cent., as the annual intake varied from 6 to 13, and several hundred new entrants to the Third Division were admitted annually during the same period.

Over half of these entrants were Arts graduates, the distribution of degrees being :

Arts . . . . .	36
Law . . . . .	18
Economics or Commerce . . . . .	6
Science . . . . .	1

About one-fourth of these recruits had obtained academic honours above the average. Of the Arts graduates, one was a Rhodes Scholar and four others had gained post-graduate scholarships and prizes. Four more graduated with first-class honours, and one with second-class honours. Two had gained their Master's degrees before entering the Public Service. Of the law graduates, three had gained prizes during their courses, and three others graduated with first-class honours.

Practically all these recruits were appointed to positions in Canberra. The Departments of External Affairs, Treasury, and Attorney-General absorbed about two-thirds, and the other departments took two or three graduates each.

The progress of this group was exceptionally rapid. For an average length of service of 12 years until June, 1951, their mean rate of promotion was slightly more than once in every 3 years. Up to the latter date, 23 of them had reached the level of Assistant Secretary or higher, including two departmental heads.

There are some suggestive contrasts between these figures and those given above for the holders of free places during a comparable period. The academic record of the latter suggests that at least 22 of them, who gained honours in more than one subject during their courses, were intellectually above the average. On the one hand, however, there is a heavy emphasis

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among them on specialised courses, notably in economics, compared with the preponderance of Arts degrees among the Section 36A entrants; and on the other, a significantly lower rate of progress in the hierarchy. There is, thus, some support for the argument that graduate entrants are a likelier source of future administrators than those who have been deprived, by social inequality and official blindness alike, of the chance to complete their education under the best available conditions.

The rapid rate of promotion of Section 36A entrants was noted in the Public Service Board's annual report for 1936, which stated that "of the quota appointed in 1934 the majority have received promotion and present indications suggest that by the end of the calendar year more than one-third of the graduates appointed since the inception of this scheme will have advanced beyond the commencing grade."

The Board's conception of the scheme was clearly analogous to its previously quoted account of the free place system, i.e., to provide a "leaven" of university-trained men. Not all observers shared this satisfaction. Writing in 1944, Bland alleged that "little discrimination was shown in allocating work as between such graduates and juniors who had entered direct from school . . . [the graduates] were kept on routine work which afforded no scope for their abilities and which bore no relation to the higher salaries which were paid to them."<sup>10</sup> A similar point had also been made by Parker, who remarked that although it was true that the relatively rapid promotion obtained by graduate recruits as compared with Leaving Certificate entrants was a vindication of the value of university training, "it cannot be said that in this way graduate recruitment has been given a fair trial. The method of enlistment is not such as to attract the *best* products of the Universities . . . promotion under this scheme depends upon the performance of routine work, and as one graduate put it, 'a University graduate can file correspondence and stamp cards no better than a boy of 16.' The scheme thus produces the dilemma that either the graduate recruit is lost to sight in a routine backwater, or, if rapidly promoted, his advancement is attributed by fellow officers to the possession of a degree—a situation at least as productive of friction and discontent in the service as any definite line drawn between administrative and clerical work."<sup>11</sup>

Although some aspects of the situation are no longer as Parker described them, he has nevertheless laid his finger on the real crux of the difficulty inherent in the scheme. It is impossible to assimilate people with superior qualifications and intelligence into a system which deliberately refrains from placing a premium on such qualities, without arousing a conflict. The outcome of such a conflict may be either to force recognition of the importance of special aptitude, with consequent ill-will and suspicion, or, what is more likely when one takes account of prevailing social attitudes in Australia, to emasculate the whole idea of higher education by the equal recognition of all university degrees, no matter how indifferent. (Parker has referred to the development of a situation of this kind in New Zealand: "The habit of part-time cramming for mediocre degrees as a 'paper qualification' for promotion has become so prevalent in this country, that the more discriminating public service chiefs are ceasing to attach much value to the possession of such degrees."<sup>12</sup>) In either case, the danger arises that when real talent

is urgently needed, some hole-and-corner method must be found to bring it in. That this is a real possibility is clearly indicated by the history of the Commonwealth service since 1939, when normal recruitment practices, including the intake of graduates under Section 36A, were suspended.

#### *War and Reconstruction*

From its beginnings, the Commonwealth Public Service legislation recognised the need to fill the gap in the upper ranks left by its own simple methods of recruiting and advancement, with their stress on seniority rather than ability. The Act of 1902, under Clause 27, permitted the direct recruitment of men from outside the service who were not eligible under the usual conditions, and could immediately be placed in positions of responsibility. The debate on this clause, which was already to be found in Colonial public service Acts, revealed general agreement as to its necessity. One member described public servants who had been employed on clerical work for many years as becoming "practically fossilised" by middle age; another insisted that "Ministers ought to be able to get for their Departments the very best talent available, and they ought to be allowed to put into responsible positions brilliant young men with other experience than that of the civil service—men . . . who have not been brought up in the groove of the department."<sup>13</sup> In actual practice, the provision was used for the admission of professional men required as specialists, and only in exceptional cases for the recruitment of senior administrative officials.

In 1922, the new Act was passed with a similar provision inserted as Section 47, which provides that, subject to the Board's approval, persons not otherwise eligible may be appointed to the Service without examination and without probation. (Section 44 made the same provision for former State officials.) The new section fulfilled the same functions as its predecessor, and it was not until the end of the 1939-45 war that its use became of special significance.

From 1918 to 1932, almost the sole source of recruitment to the Commonwealth service was that of ex-servicemen, whose educational standards were, in general, lower than those prescribed for normal peacetime entrants—themselves not notably high.

The result was that on the outbreak of war in 1939 the public service was not equipped to deal with the tremendous problems of planning, organisation, and mobilisation of all resources of men and materials. Although the recruitment trends which were becoming evident in the 1930s pointed the way to inevitable future developments, they were still of minor importance when war broke out, and as the problems of conducting a total war became acute, it was realised that existing standards of recruitment were hopelessly inadequate to provide the trained and experienced staff needed in the emergency. The entire structure of the Service as it was in 1939 was overlaid by the growth of new functions which the Commonwealth undertook. To meet the situation, recruitment concentrated on securing an influx of temporary officers for new governmental agencies which mushroomed during the crisis. In 1939, the Commonwealth service numbered 47,000, most of them permanent employees. By 1946, the figure had risen to 95,000, more than half of whom were temporaries.

The stagnation of the 'twenties and 'thirties meant that, willy-nilly, the Commonwealth service had to adopt a policy of differential recruitment, and men of recognised ability and training were thrust into responsible positions with little regard for the "usual channels" of promotion. Some of these men were outspoken in their criticisms. For instance, the late Professor L. F. Giblin wrote in the *Sydney Morning Herald* of February 18th, 1944: "From the last war until now the Federal Civil Service has been starved and incapacitated because opportunity had been denied to the best recruits to join the Service. When the war came the Civil Service had broken down and outside help had to be called in."<sup>14</sup>

Professor Eric Ashby wrote with some bitterness that "graduates have been drafted wholesale into Commonwealth departments. It was found that their training equipped them to deal with situations requiring foresight and judgment. The 'professors' in Government offices became a great joke for the newspapers. Every distasteful decision was laid at their door. Every fantastic regulation was written up against them. When the history of this war comes to be written it will be found that they averted many a crisis. Some of the crises would never have occurred if the public had listened to the counsels of the professors and had seen the need for graduates in the Public Service before the war."<sup>15</sup>

The reconstruction period made it clear that the Commonwealth had, irrevocably, taken over greatly increased responsibilities for Australia's economic and social welfare and international relations. It was no longer possible to administer its policies with a public service conceived on the primitive lines of 1902, when the far-reaching tasks which would face the central government in the twentieth century were undreamt of. However, instead of a revision of the recruitment system, Sections 44 and 47 of the Public Service Act were invoked on a broad scale, and a large number of officers were given permanent appointments under them. The result was that by 1951, out of the 168 highest officials in the Service, 67 had been appointed by this means, a proportion of 40 per cent. In 1936, out of the comparable group of 62 senior officials, 15 were outside appointees—or 24 per cent. The 1951 group included 10 former academics, 12 lawyers, nine economists, nine high army officers, seven engineers, six businessmen, nine accountants, four journalists, three scientists, and three school teachers, most of whom had already achieved repute in their own fields before entering the public service.

It is clear that the spectacular growth in the scope of Commonwealth activities, encompassing 24 departments and 150,000 members of the Commonwealth service in 1953, could not be achieved without recourse to all kinds of exceptional methods of organisation and recruitment, although their disproportionate use is a reflection on pre-war backwardness. It is significant, however, that the number of appointments made under Section 47 is still relatively high, and has continued to evoke the disquiet both of the Public Service Board and of the staff associations. The Board's 24th annual report (1948) spoke of the "problem of finding men with the necessary capacity, experience, drive and temperament," and added that the use of Section 47 was "a palliative rather than a solution." The steps required, concluded the report, were improved recruitment and in-service training.

While the Board thus appeared to regard this method of recruitment as a necessary evil pending the development of administrative talent inside the Service, the staff associations appear to regard it as both evil and unnecessary. The official organ of the Commonwealth Public Service Clerical Association declared in 1948 that "not only the academic gentlemen who advise the Government, and plan the post-war Australia, are most outspoken in their contempt of permanent officers, but certain Cabinet Ministers who have fallen under the spell of these economic 'witch doctors,' are addicted to the wholesale appointment of outsiders to selected positions in the Service. . . . The professors, economists, theorists, planners and experts were transported to high government places straight from their universities, books, graphs and diagrams. From there they commenced a campaign designed to discredit the permanent public servant."<sup>16</sup> Three years later, with a different party in power, whose avowed aim was to reduce administrative costs, the same complaint was heard: "Because the Service is not efficiently administered, because outside appointees, temporaries, long-hairs, professors, authors, psychologists, advisers and economic witch doctors have gained control of the Service organisation, the cost of government has become so high that it is now a political issue."<sup>17</sup>

While these colourful effusions may be discounted, the seriousness with which the situation has been viewed may be gathered from the fact that in July, 1949, a mass meeting of the Commonwealth Public Service Clerical Association was held in Melbourne to protest against the increasing use of Section 47, and in June, 1951, a deputation from the same body waited on the Prime Minister with a similar protest. The pressure of the staff unions, coupled with obvious dangers in the excessive use of Section 47, have impelled the Board to minimise it. The large-scale recruitment of graduates is one step in this direction.

#### *Graduate Recruitment since the War*

The most important development in recruitment policy since the war, possibly designed as the long-range answer to the use of Section 47, has been the great intake of university graduates from the non-technical faculties. The Board's policy was now to obtain the full 10 per cent. quota permitted under Section 36A, and since 1950 this aim has been approached.

Between 1st July, 1947, and 30th June, 1952, 380 graduates had taken up appointments in the Service. The following table, covering 218 individuals whose records were available, gives some details about them:

Degree		Men	Women	Total
Arts	.. .. ..	56	95	151
Economics or Commerce	..	31	3	34
Law	.. .. ..	9	—	9
Others	.. .. ..	20	4	24

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This comparatively massive recruitment reflects not only the increased size of the Commonwealth Public Service and the consequent increase in the demand for administrative ability, but also the expansion of university

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education in Australia since the war. In 1939 there were 13,000 students enrolled at Australian universities (representing 2.02 per cent. of the population); by 1950 the number was 30,000 (3.82 per cent. of the population); and it is expected to rise to 50,000 by 1970. The demand has marched with the supply. In Sydney, inquiries recorded by the University from employers rose from 550 in 1939 to 2,500 in 1950; in Melbourne, from 500 in 1939 to 2,200 in 1950. Moreover, the proportion of graduates entering the public services (other than teaching) rose correspondingly.<sup>18</sup> The recruitment situation in the Commonwealth service is paralleled, to some extent, in the State public services, as well as in the increased demand for graduates from private commerce, industry and banking.

The increased emphasis both on graduate recruitment and on the possession of a degree is, then, part of a general social trend. Accompanying it has been a natural growth of the prestige of university education, and a certain differentiation of career avenues open to graduates as such, not only in the public services, but in private concerns. In the Commonwealth service there has evolved the hierarchy of "research officers," regarding which one of the senior officers of the Public Service Board remarked that "as the policy-forming aspect of the administrator's work has expanded, research sections have been introduced to assemble the facts, to assist in the policy-making and policy development. Above all, the research function is concerned to overhaul policies, to keep these up to date, and to plan ahead. . . . The research function is now accepted as an essential instrument in policy-making and administration."<sup>19</sup>

The "research" hierarchy now covers five grades, from Assistant Research Officer to Principal Research Officer, and a public service regulation makes a degree essential for advancement beyond the lowest grade. The salary limits of this range span about twice the number of overlapping salary ranges on the routine clerical side.

All this, with its apparent echoes of the duties and status of the administrative class in Britain, might on superficial examination suggest that the Commonwealth service is tending in the direction of differential recruitment on that pattern. The impression would be misleading, for several reasons.

Firstly, there is little indication that departmental practice attaches significance to a degree as an index of mental calibre; on the contrary, it is evidently regarded, as in the past, chiefly as an indication of specialised training. When recruitment of graduates was resumed late in 1947, departments were asked to furnish returns setting out the number of graduates they required, and the degrees they preferred. Out of a total of 280 positions to be filled, replies were as follows:

Economics or Commerce ..	..	..	134
Arts ..	..	..	27
Arts with major in Economics ..	..	..	23
Law ..	..	..	27
Others ..	..	..	69

(The first item also included 23 specific requests for a major in accountancy.)

The heavy emphasis on degrees in economics, in a period of centralised

economic regulation, is primarily due to the need seen by departments for a particular type of expert, and not to any belief in the special value of training in economics as a discipline (unless it is conceived as a "practical" sort of thing to study).

In the second place, it is clear that little distinction is made between graduates. The man with first- or second-class honours, the f.a.q. pass graduate, and the secondary school entrant who has gained a degree by scraping through nine or ten of the softest subjects he can find, are lumped together as "graduates," all fulfilling statutory requirements for promotion.

Again, the early years of the graduate's service do not permit him, save in exceptional cases, to make proper use of his training. He normally confronts one of two extremes—either he is insufficiently occupied with work that he may, personally, find relatively satisfying but is of little immediate importance, or he is given routine work that occupies him fully but makes no use of his training or abilities. The first alternative may be found in Canberra; the second is commoner, especially in the State branches of departments. Its frequency is attested in the results of the survey carried out in 1952 by the Melbourne University Appointments Board.<sup>13</sup>

Finally, where graduates are selected for ability at an early stage, it is commonly because they have shown ability in specialised fields, and they will, in the normal course of events, continue to specialise. Excessive specialisation, like excessive routine work, is not beneficial for the development of the abilities required by the administrative official: in fact, one of the continuing problems of the Commonwealth service is that its senior officers tend to be technicians rather than administrators.

The recruitment problem is, then, only part of a wider context, namely the use to be made of and the recognition to be given to special abilities and training; ultimately, in fact, like most problems of this kind, it depends on broad sociological questions relating to the character of social life in Australia. This particular matter has close affinities with several other topics, perennial in Australian literature, notably that of the much-canvassed "export of talent" and the isolated position of the intellectual in the community. In the more restricted field under discussion, the outstanding point calling for constructive suggestions from the student of public administration is how to mitigate the wastage of talent without running head-on into the kind of resistance to "favouritism" already described. That this wastage is keenly felt, especially by those graduates with better-than-average academic qualifications, is shown by the results of an opinion poll carried out in 1951 by the writer among 33 graduates appointed to Canberra since 1947.<sup>20</sup>

The system possesses two defects which are central for this review. The first is that it makes a number of the best recruits dissatisfied and stimulates them to look elsewhere, with the prospect that the service may lose some of its potentially brilliant figures. The other is that it may frustrate the development of those able recruits who, by the generally accepted canons of public administration, should be given an opportunity to exercise their executive abilities by the age of 30. In either case, the situation seems to lead inevitably to the use of Section 47. If this is to be avoided, and if the value of a good university training is not to become lost in the general welter

## RECRUITMENT OF UNIVERSITY GRADUATES TO COMMONWEALTH PUBLIC SERVICE

of mediocre degrees which are fast becoming a standard qualification for "efficiency" in claims for promotion, then much more selectivity must be exercised. There is no question that any system comparable to the British method of recruitment is either possible or desirable under the circumstances; but one reform in the system of graduate recruitment, which should be within the limits of practicability, suggests itself—i.e., the introduction of a period of probation.

The first six or twelve months of a graduate's work could, on this basis, be regarded as a period of training and induction, during which he would be given experience in as many sections of a department as possible. The close of this trial period would be marked by an intensive training school lasting two or three weeks, concluding with an examination dealing with the public service as a whole. Such an examination should be competitive, the results to be combined with academic attainment and general Service record, and for preference would be both written and oral. A certain quota—to be determined by the Board on advice from departments—would be appointed immediately or as soon as practicable to the position of Research Officer, Grade I, or its equivalent, and the next highest group to the position of Assistant Research Officer. The remainder would make their way by normal competition with other officers.

One of the chief virtues of such a scheme is that it entails very little new machinery. The Board has already established a network of departmental training and personnel officers; its treatment of cadets follows lines which are at least superficially akin to those just described; and in Canberra, at any rate, annual "schools" for graduates have been held since 1950.

This suggestion is not, of course, intended as more than one single instalment of reform, emanating from the writer's own direct experience. What the problem really demands is a thorough inquiry into the whole structure of the Commonwealth Public Service. No such investigation has been made since 1920, yet conditions in that year were antediluvian by comparison with 1953. Though the staff associations may persist in their refusal to admit the fact, differential recruitment is inevitable in a large and complex bureaucratic machine. This "spectre" can never be exorcised, so at least let it be materialised without destroying the valuable features of the egalitarian tradition which has dominated Australia for two generations. Without this necessary change in attitude, there will never be any valid alternative to such backstairs methods as the use of Section 47 for bringing first-class administrative ability into the service.

It must be borne in mind, in conclusion, that the whole matter is not merely one of administrative readjustment. Fundamental changes in the nature both of society and of government are taking place in Australia, and without action at the political level it is unlikely that the needed reforms will ever be achieved.

<sup>1</sup>R. S. Parker, *Public Service Recruitment in Australia*, Melbourne, 1942, p. 24.

<sup>2</sup>*Ibid.*, p. 256.

<sup>3</sup>Report of the British Economic Mission, Govt. Printer, Canberra, 1929.

<sup>4</sup>Commonwealth Parliamentary Debates, 1933, Vol. 143, p. 5867.

<sup>5</sup>J. A. La Nauze, *Education for Some*, Australian Council for Educational Research, Melbourne, 1943.

<sup>6</sup>N. K. Henderson, *What Chance Has Your Child?* Melbourne, 1942.

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<sup>7</sup>F. L. Hedges, in *Public Administration* (Sydney), Vol. 4, 1945.  
<sup>8</sup>Leonard White, *Introduction to the Study of Public Administration*, Second Edition, N.Y., 1939, p. 44.  
<sup>9</sup>Fourth Report of the MacDonnell Commission, 1914, p. 61.  
<sup>10</sup>F. A. Bland, *Government in Australia*, Govt. Printer, Sydney, 1944, p. XXXIII.  
<sup>11</sup>Parker, *op. cit.*, pp. 269-70.  
<sup>12</sup>R. S. Parker, in *Public Administration* (Sydney), Vol. 2, 1940.  
<sup>13</sup>Commonwealth Parliamentary Debates, 1901, Vol. 2, p. 1100.  
<sup>14</sup>*Sydney Morning Herald*, 18/2/1944.  
<sup>15</sup>Eric Ashby, *Universities in Australia*, Aust. Council for Educational Research, Melbourne, 1943, pp. 31-32.  
<sup>16</sup>*Federal Public Service Journal*, June, 1948.  
<sup>17</sup>*Ibid.*, August, 1951.  
<sup>18</sup>Annual Reports of Sydney and Melbourne University Appointments Boards, 1947-1952.  
<sup>19</sup>P. W. E. Curtin, in *Public Administration* (Sydney), Vol. 7, 1948.  
\* <sup>20</sup>"The Commonwealth Public Service," unpublished M.A. thesis by the writer, in University of Melbourne library.

## *The Valuation Tangle*

By **URSULA K. HICKS**

*This paper by the University Lecturer in Public Finance, University of Oxford, was delivered on the 10th February, 1954, in Oxford before the London Students Society of the Institute of Municipal Treasurers and Accountants.*

VALUATION for rates is a very difficult and complicated problem. My own interest in it was first aroused by becoming possessed of two houses, one a substantial new house with all modern amenities, the other a small eighteenth-century cottage close by it, and finding that the valuation of the two houses differed by only a few pounds. I think it was natural to attempt to find the cause of this small difference.

Before I start on the complications of valuation I should first like to emphasise that apart from any question of the measurement of the basis for Exchequer Grants, the successful operation of the local rate does depend very heavily on the discovery of a satisfactory solution of the valuation tangle. Consequently, one's views on the urgency of finding such a solution must be greatly influenced by one's view as to how far the rate as a tax is worth saving.

My own view is that the rate is a very fine tax—for local purposes. I deplore anything that weakens it, and I deplore the fact that it has declined in importance (in relation to the national income) very considerably since 1938. Even now the rate is a very important tax, producing a revenue nearer £400 million than £300 million, and so substantially more than any other tax on outlay, except the tax on tobacco, and considerably more than Profits Tax. Yet the rate achieves this at the cost of only quite a small proportion of family expenditure—I estimate of the order of 2.0 per cent. on an income of £400 per annum on the average in the South-East of England today. Thus the disturbance to family budgeting due to the rate is slight.

Moreover, a great advantage of the rate is that it is something that local authorities can call their own. The basis is completely localised, the revenue from it is steady, assessment (apart from the question of valuation) and collection are cheap and easy. If not entirely in accordance with ability to pay in the Income Tax sense, the rate is not violently regressive, since expenditure on house-room tends to increase more or less *pari passu* with income (in free market conditions). I am speaking here, of course, of domestic rates, which bring in by far the larger share of the revenue (on the average rather more than two-thirds), and hence for this and other reasons are the most important part of the problem.

It must also be realised that if a local tax is in strict accordance with ability to pay, in the sense of being effectively progressive, it tends to be very disqualising as between rich and poor areas, and this among other things tends to inter-local migration, making the rich areas richer and the poor poorer. After all, it is not the progression or regression of a single tax that is of significance, but rather that of the entire tax structure. That, as we know, is very progressive, and moreover it impinges directly on local financial conditions through grants paid out of the progressively nourished Central Revenue pool.

But no tax can be really satisfactory which does not have an objective system of assessment which deals equally with similar goods. For an *ad valorem* tax (which the rate virtually is), the only true basis of assessment is the system of prices ruling in a free market. It is, of course, the lack of this that has been the main cause of the valuation tangle. It is worth noting that in Scotland, where the basis of valuation is the actual rent, whatever it may be, valuation is in much less of a tangle than in England and Wales. But even if the Scottish system were transportable it is by no means perfect. Rents of similar houses vary in Scotland for a number of irrelevant reasons, but probably the assessment of the rate on the rent implies that the vagaries are considerably less than south of the Border.

The valuation tangle is probably as old as the rate itself, since the prices of houses, and hence their rents, are notoriously queer and sticky. At least for a century thoughtful people have been bothered about valuation anomalies. The criterion which gradually emerged as the basis of valuation in England and Wales (what a willing tenant would give and a willing landlord would accept from year to year), was itself an attempt to smooth out anomalies in basic rents. So far as differences in valuation are concerned, however, before 1914 the most important causes of anomaly seem to have been two :

(1) The date of valuation, since each valuation tended to reflect market prices at the time at which it was made and there was no provision for regular revaluation outside London before 1925. Since prices had been rising from the early 'nineties this implied that the newer and more recently valued property or areas tended to be higher than the older or earlier valued property or areas.

(2) The second cause of valuation anomalies at this period was the quite chaotic deductions which were made from gross value to reach rateable value. There was no consistency in these, either between different types of property or between different areas. Again, this matter was not regulated until 1925.

With the 1914-18 war, however, the chance of anomalies became very much more serious ; recency of valuation made much more difference because of the very large price rise that had taken place. Rent control on the smaller houses made the "willing landlord" criterion ambiguous, since it was unlikely that a tenant would give more for a rent-controlled house than the controlled rent. When the courts were presented with this difficulty they declared (withal in a somewhat quavering voice) that the correct basis was still the (now mythical) free market rent, not the controlled rent. This inevitably created great confusion.

The Rating and Valuation Act, 1925, attempted to deal with these difficulties. (It is worth nothing that up to 1924 valuations had only increased by 10 per cent. over pre-war against a rise in the cost of living of 75 per cent. and in many other relevant prices of 150 per cent. or more.) It is interesting to observe that the 1925 Act was a watering down of a much more thorough reform which had been proposed in 1923. This had included independent central valuation and compulsory annual returns from rate-payers (a system that is virtually in operation in Scotland). But in the Act these were reduced.

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The Central Valuation Committee was given the duty of smoothing out anomalies in valuation and bringing valuations up to the correct relation to free market rents, but it was given no compulsory authority. The annual returns from rate-payers also became permissive, and so remained largely inoperative.

Nevertheless, the Act of 1925 achieved very substantial improvement. In the first place an enormous reduction in the number of separate valuation areas was made, thus facilitating a greater uniformity in practice. Secondly, compulsory quinquennial revaluation was introduced outside London (which already had it). Thirdly, deductions from gross value to rateable value (covering repairs and so on) were regularised according to the value of the property throughout the country. Fourthly, counties were allowed and encouraged to establish county valuation officers, to aid the Central Valuation Committee in securing uniformity of practice. These officers were only permissive; a few counties made no appointments at all; in other counties little action was taken; but in some counties very considerable progress was made in securing uniformity within the county area.

Together all these reforms might, and probably would, have reduced the dimensions of the tangle very considerably if they had been allowed to work themselves out without interference. But new troubles soon arose. First, a rather haphazard method of rent decontrol was initiated which, however, might have worked all right in the end if it had had time to complete the process. Secondly, came the private enterprise building boom in the 1930s. In a sense this made things easier by producing large numbers of new small houses. Unfortunately, however, since they were mainly built to sell and not to let, they did not provide as much free market evidence of post-war rents as might have been hoped.

Experience generally seemed to show, however, that when houses were decontrolled their rents did not on the whole rise much, so that valuation officers tended to make little or no alteration in their valuations. At the same time, and in consequence of this, the new houses (which were often much superior) tended to be valued by analogy with the level of controlled rents of the older houses or directly by foot super. Both of these methods tended to treat them favourably relative to the older houses, since they were smaller and more compact.

The result was that for the first time, in addition to the *casual* anomalies of valuation (which had always existed due to the anomalies in basic rents, but which had been much intensified by rent control and decontrol), was superimposed a *systematic* anomaly, new small houses being in a "de-rated" class by themselves. This in turn led to systematic inter-area differences according to the proportion such houses bore to other property in the district. From 1929, inter-area discrepancies in valuation practice had begun to matter considerably, since the formula for the Block Grant from the Exchequer established in that year contained a weighting for low rateable value per head. Thus it came about that the de-rating of industry and agriculture in 1929 was partly at least counteracted by the "de-rating" of certain domestic properties in the 1930s.

In the meantime, however, evidence was accumulating of true free market rents at post-war prices, both through the process of decontrol (and it should

be noted that in many areas where decontrol had not formally taken place the controlled rents were effectively free rents and control was inoperative, and by the evidence presented by new houses built to rent. Consequently, for the third revaluation under the Act of 1929, the Central Valuation Committee made a determined effort to lever up values generally to the level of free market rents. Meditating on what would be likely to happen to the occupiers of "de-rated" small houses, especially in the South-East, where they were particularly numerous, gave the politicians cold feet. The result was the appointment of the Fitzgerald Committee, charged to determine the extent of hardship which might accrue to the occupiers of the new small houses if they were to be subjected to a full valuation, and consequently bear a significantly higher liability to rates.

The Fitzgerald Committee collected some extremely useful figures of valuations in relation to rents.<sup>1</sup> The Committee, however, had only time to make a rather rapid and superficial report before the war descended, and everything connected with valuation was put into deep-freeze—until 1948. In the Local Government Act of that year, the solution of the valuation tangle assumed a new urgency, due to the enormous importance of rateable value per head in the Equalisation Grant.

I am glad to say that we need not linger over the 1948 abortive mechanical system of valuation which was attempted for the small inter-war houses, since it can now be considered dead and decently buried. The proposal broke down in practice mainly because the valuations under the cost system which were to be applied to these houses proved irreconcilable with the other (basically traditional) methods applied to older and larger houses. In my view, however, the cost system deserved to break down, because it was purely conventional. Neither the cost of the site nor the cost of construction of these houses was known. Especially in respect of private enterprise houses, there was a total lack of any relevant evidence, so that it had to be provided that costs in any area were "such as the Minister shall declare." This is clearly very far from providing an equitable and objective basis for the assessment of any tax.

So now at last we come to the new system under the Valuation for Rating Act, 1953, which is now just going into operation. I want to make some (very tentative) observations on this under four heads: on the principles involved; on the change in incidence which may be expected between different categories of property (especially domestic and other); on the shifting of incidence in the grant basis between areas; and on future prospects, including the effects of the Housing, Rents and Repairs Bill, now before Parliament.

#### *The Principles Involved*

First, the 1953 Act essentially returns to the traditional rent basis of valuation, but as between domestic and other property there is an important difference in the base date; in respect of domestic property this is to be taken as the rent on or about the 30th June, 1939; in respect of other property it is the current value. Secondly, the "willing tenant" and the "willing landlord" have formally disappeared, and are replaced by the Valuer's estimate of what the reasonable rent would have been.<sup>2</sup> This brings us

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to the third principle: that is one of relying on the Valuer. Under the 1948 system, since there was no true valuation basis on which valuers could work, they were of necessity tied up very closely by precise formulae which prevented them from using their judgment and professional skill. Under the present Act they are given very wide discretion. The actual rent as at 30th June, 1939, is to be taken; but where necessary it may be regarded only as a first approximation. Valuers have powers on the one hand gently to adjust casual anomalies which they find between the rents of essentially similar houses and on the other to allow for severe deterioration since 1939 (current values can be substituted for 1939 values if they are lower).

Fourthly, it does appear that the means for making a central valuation effective is now available for the first time. On the one hand the Inland Revenue now has a large staff of trained professional valuers at its disposal, whereas after 1948 not only had the transfer of Valuation Officers from the local authorities to the Inland Revenue hardly begun to operate, but the necessity for valuing for war damage compensation and other consequences of recent legislation implied a quite unmanageable shortage of trained valuers. These special needs for valuation outside the rating system are now very much reduced. On the other hand it does appear that a very considerable corpus of evidence of actual rents in 1939 is available as a basis of valuation. All the evidence possessed by local Valuation Departments, including their returns for the Fitzgerald Committee, have now been made available to the Inland Revenue.

### *Inter-property Redistribution of Incidence*

This can, I think, best be illustrated by an arithmetical example. The evidence which we examined in *The Problem of Valuation for Rating* suggested a range of house valuations in 1937 of something like 50-105 per cent. of the rent. The greater part of the valuations, however, fell within the range 50-80 per cent. Let us assume, by way of illustration, an area in which (i) houses were valued in 1939 at 70 per cent. of their rents; (ii) domestic property brought in 70 per cent. of rate revenue; (iii) the current values of business premises are now about 300 per cent. above their pre-war values and rating valuations have not been changed; (iv) the present rate poundage is 18s. in the £ and it is not desired to increase the revenue from rates.

Let the total rateable value of the area equal 100; the present total rateable value of houses equal 70; the present total rateable value of business premises equal 30. After revaluation houses will be valued at 100, business premises at 80, total rateable value will now be 180. Therefore a poundage of 10s. will bring in the same rate revenue as one of 18s. before revaluation. At present houses provide 70 per cent. of rate revenue; after revaluation they will provide  $10/18 \times 100 = 56$  per cent. Business premises at present provide 30 per cent.; after revaluation they will provide 44 per cent.

Under these assumptions the average house after revaluation will pay 80 per cent. of its present rate bill, the average business premises will pay 50 per cent. more than its present rate bill. A very under-valued house, say one with a level of assessment of 50, will pay 10 per cent. more than at present in rates, and this can be taken to represent the maximum addition which is likely to occur. Alternatively, if we were to assume that the rate

poundage is reduced only so much as to leave the rate liability on the average house the same as at present, rate revenue will increase by 25 per cent., but the rate liability of the average business premises will rise by 80 per cent.

It is interesting in making these rough but reasonably representative calculations to notice the enormous difference which occurs in a reform basing the valuation of houses on the full rent, when carried out now, from what would have occurred had it been carried out in 1939. In 1939 there would have been an effective "re-rating" of domestic property in relation to business property; in 1954, due to the difference in basic date, the de-rating of domestic property in relation to business property is carried a substantial stage further. It should of course be borne in mind that rates on business property have a different social and economic significance from rates on houses, because sooner or later they are likely to be passed on to the patrons, customers or clients of the businesses in enhanced prices. Thus the rate payers are likely sooner or later to pay for some of their additional de-rating themselves. This, however, is likely to occur in a less regressive manner than in the payment of the domestic rates on the houses which they occupy.

#### *Inter-area Shifting of Incidence*

The evidence which we examined suggested very strongly that declining areas in the country tended to be very fully valued. It was in the expanding areas that the level of assessment tended to be low. In spite of suspicions that poor areas tended to under-value themselves in order to improve their position in relation to the Block Grant, it seems to me much more plausible and likely that in fact the evidence was correct in showing that valuations were high in such areas. True rents would be sagging and would be likely to fall before valuations were revised; if property was not actually falling vacant it was almost certainly deteriorating at a faster rate than in other areas; hence its true value was continually being lowered.

If we accept this evidence we might take as examples three typical areas:

(1) A large city (let us call it Manchester, to fix ideas), which now is outside the Equalisation Grant; the domestic property of which is fairly fully valued, but there is also a large amount of business property in the form of shops, offices and warehouses. On re-valuation under the new Act, it would gain a large amount of rateable value on business premises, probably enough to enable it to reduce the poundage slightly if it wished, but it would gain next to nothing on the re-valuation of its domestic property. It would still be outside the orbit of the Equalisation Grant, since, although the national average would rise, its own rateable value might easily rise more than the national average. Indeed, it would still almost certainly be outside the Equalisation Grant, even if the effective basis of grant were raised to £7 a head (as is proposed by the Interdepartmental Committee on the Working of the Equalisation Grant), since the valuation is now substantially in excess of £7 a head.

(2) Let us take an expanding residential area, possessing many inter-war houses which were substantially under-valued with, let us say, a pre-war level of assessment of 60 per cent. This area will gain

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heavily in rateable value from the re-valuation of its inter-war houses. It will probably elect to take out its advantage in a reduction of its rate poundage.

(3) Finally, let us take the case of a poor industrial town with few shops or offices, and where the domestic property is again very fully valued. This town (we might call it St. Helens, to fix ideas) will gain very little on re-valuation, hence its rateable value per head will be even more out of line with the national average when that has risen after re-valuation. The wind will, however, be tempered for it by the operation of the Equalisation Grant. If, however, the proposals for basing the new Equalisation Grant on the average of towns of a particular category were to be adopted, this town would be far from fully compensated in relation to others.

### *The Effect of the Housing, Repairs and Rents Bill*

There is little that can be said at present of the probable effects of the Housing, Repairs and Rents Bill; but it can be said at once that in the immediate future valuation will not be affected in any way because the valuation of the new houses will be written down to 1939 levels. This of course requires a measure of imagination—or judgment—on the part of valuers, but it is a very much smaller effort than would have been required if current values had been chosen as the base and it had been attempted to write up the 1939 values of pre-1939 houses to that level. The effect of the Bill would seem to be to create a new class of what we might call para-free-market rents. These could be the beginning of a new body of evidence for advancing the base date from 1939 to some post-war position. However, if the Act is a success, in the sense of leading to a substantial increase in accommodation through the repair and division of houses, the day will be greatly hastened when, if no other troubles intervene, there would once again indubitably be sufficient free market evidence to form an equitable and objective standard of valuation for the local rate.

<sup>1</sup>These were subsequently analysed by my husband and myself in *The Problem of Valuation for Rating*.

<sup>2</sup>“That at which the hereditament in question might reasonably have been expected on or about 30th June, 1939, to let from year to year, if the tenant had undertaken to pay all usual tenants' rates and taxes and the landlord to bear the costs of repairs, insurance, etc.”

## ***The Problem Family— Some Administrative Considerations***

By NOEL TIMMS

*The distribution of functions between different departments is sometimes treated as a matter of administrative convenience. Mr. Timms, a Birmingham social worker, raises the important question of how the variety of welfare services available can best be brought to bear on one case—that of the so-called problem family.*

THE Brown family is well known to officials of many departments and to the voluntary social work agencies in the large industrial town in which they live. Mr. Brown seems never to be in work for very long and when troubles at home become excessive he sometimes escapes from worry and responsibility by committing a crime, so that he is sent to prison. His wife, who is of low intelligence and poor health, has little idea of how to run a home or look after her five children, aged seven to one. (There is a sixth child, removed to the care of the Local Authority because of neglect.) Welfare workers who visit the home complain that it is poorly furnished and frequently in a filthy condition; one report says that the family sleeps on two double beds with coats as covering. The two children attending school are often late or absent and the eldest has started to steal. This family has received considerable help and attention. Welfare workers and social administrators who have known the family, at one time or another, include the health visitor, school attendance officer, probation officer, a voluntary society that has given clothing and food vouchers, the N.S.P.C.C., the hospital almoner, the Children's Department, the Labour Exchange, the N.A.B. The Browns are chronically dependent on all this social help for support over immediate crises, but they cannot use it to full advantage. They are always in difficulties, always the exception to any administrative scheme, too late or too early in their applications, and their circumstances generally demand special and immediate consideration. Each member of the family has a serious problem and the family as a whole constitutes a special problem for society. Today the Browns would be called a "problem family."

Since the first use of this term the problem family has been widely discussed and some action has been taken. Several Local Authorities have appointed special problem family workers, e.g., Norwich and Herefordshire, and the Joint Circular of July, 1950, encouraged the establishment of new administrative machinery to deal more effectively with parents who neglect their children. The general nature and seriousness of the problem is being realised, but it is difficult to give a definition of the term that will be universally accepted, because experience shows that several different types of family are known as "problem families." The term refers to a double failure, that of the problem family as a family and that of the social services to help such families to learn and improve from their frequent contact with them. The problem family fails in varying degrees to provide adequate protection and social education for the children and affection and security for its members. These failures are usually seen in sub-standard living conditions, financial mismanagement, child neglect and general family disorganisation.

Probably there have always been families like these. It is only when systematic social help is generally available that they appear as a separate group, contrasted with those able to profit by the general social services. Thus, it was the Charity Organisation Society which in its efforts to organise indiscriminate relief towards the end of the nineteenth century began to talk of "the undeserving poor" and to draw attention to the other half of the problem, the complete failure of the social services to change the attitudes of such people, when it spoke of "beggars by choice who will remain so to the end of the chapter."<sup>1</sup> The problem family appears more clearly in the Poor Law Report of 1909, where the hope was expressed that, "with a more widespread knowledge of the laws of physical health, a demand for better conditions and a raised standard of life may be expected to cure this evil which has as its roots an overwhelming ignorance and apathy."<sup>2</sup> This hope has not been realised. The provision of free, compulsory education; the benefits of a National Health Service; the "automatic" provision for the crises of old age, increase in family, ill-health and unemployment have not had universal, automatic effects. The general standard of living has been raised, but the particular standards and performance of a minority remain in many aspects as low as before. This group, estimated at 80,000 families with 300,000 children,<sup>3</sup> presents serious problems in terms of wasted public money and human unhappiness. Members of these problem families are in frequent contact with the general services of the Welfare State, but officials and social workers are restricted by time, lack of appropriate training, and statutory limitation of function in attempts to treat their deep-rooted, complex problems. In establishing the Welfare State and attaining the two objectives of a maximum of opportunity for all who can use it and of a national minimum standard below which none should be allowed to fall, emphasis has been placed on the former at the expense of the latter. The administrative problem set by the problem family is that of restoring the balance in favour of those who cannot consistently reach a satisfactory minimum standard even when assisted by the present services of the Welfare State.

C. P. Blacker has said: "The obvious way of dealing with any obtrusive social problem is to make some designated person responsible." Which person or department should be made responsible cannot be decided until we have some idea of the kind of service needed. This will depend on an analysis of the problems to be solved and is a complicated matter, since, as previously indicated, there is no such thing as *the* problem family, caused by one factor, whether mental defect, emotional disturbance, too many children, laziness, or any of the other simple reasons often given. As there is no one cause, so there is no single measure or simple method of treatment, psychiatric, residential, eugenic or authoritarian, that will be appropriate for all families. We can say, however, that behind the particular symptoms discussed above there are combinations of the following treatment problems: attitude of mind, psychiatric disturbance, low intelligence and excessive social pressure on a family organisation capable of bearing only a limited amount of stress. This combination of problems suggests that the best hope for the problem family lies in the integration of the policy of each separate social agency around a basic general family casework service, offering

a relationship through which each problem family can be studied at a deep level and helped in a correspondingly permanent way. Casework supplies the means of gradually learning about each family, forming a plan with them, based on a deep understanding of their history and life, and helping them to carry it through in all its stages and setbacks, so that, after continuous moral and practical help, encouragement, persuasion, and the experience of an understanding, helpful, but not weak and sentimental, relationship, they are able to function as a family on their own or, with continuing help, are better able to use the social services available.

The actual process of casework is well described in the 1909 Report : " Each application for aid or each case of distress should be considered individually . . . in relation to some purpose or plan which, if it be properly carried out, should produce lasting results. To effect this, the material facts that bear upon the question have to be ascertained . . . the causes that have led to distress, want or degradation have to be learnt—not roughly generalised causes, such as widowhood, the largeness of a family, illness or the like, but causes often more potent and less obvious which lie in the character and habits of the family itself. From these data some plan of help should be formed . . . and further it is recognised that in any single case many remedies may be required. These remedies lie in many hands and success may depend on their being used in conjunction."<sup>14</sup> The aim is to get the family and the appropriate social and allied services working together towards a common objective, which may change as the understanding of the caseworker deepens. This understanding should be based on the family itself, as a group of inter-acting persons. It is the family-centred nature of this casework service that determines many of its particular characteristics. The service should go beyond the separate problems of ill-health, crime, unemployment, to the central problem of family disorganisation. The separate problems may often demand action before a full picture of the family is formed, but this action should be based on the casework information so far available, and no final solution is possible without a full knowledge of the family. This knowledge may reveal strengths as well as weaknesses in the family and it is in such positive factors that the remedy often lies. From the point of view of the child, recent psychological research shows that the promotion of strong family affection is probably the best way of ensuring that he too does not become a problem parent. Family casework is concerned with every aspect of family life and will help a problem family over a long period, if necessary during its entire life as a family.

To illustrate these general considerations it may be useful to discuss the particular ways in which a casework service could be offered to the Browns. It is at first difficult to form a relationship with Mrs. Brown as her previous contacts with the social services have been negative and she herself is not very conscious of, or vocal about, the sort of problems she is facing. However, she admits to financial trouble and accepts the offer of budgeting her income and expenditure. She states that the school children are troublesome, and agrees that the worker tries to escort them to school. Beginning with these practical services and the absence of all criticism, the caseworker establishes a relationship with the mother and encourages her to talk about her life and

#### THE PROBLEM FAMILY—SOME ADMINISTRATIVE CONSIDERATIONS

feelings. Gradually the caseworker forms some idea of why the Browns have deteriorated. At first sight it seemed that the cause was Mrs. Brown's low intelligence, but many people of similar intelligence are managing their lives more competently. Perhaps Mr. Brown does not give his wife sufficient moral support? It is a long time before Mr. Brown's confidence is gained, but eventually it is discovered that he is a man who has married beneath his social class, constantly overcome by the realisation of his error. The marital situation is found to be very insecure, aggravating Mrs. Brown's ill-health and resulting in a very inadequate share of the money for house-keeping. The caseworker may be able to help Mr. Brown to accept his situation, to recover some of his self-respect. With the help of the Rehabilitation Centre it may be possible to get Mr. Brown into a regular job. Finally, with the help of other interested social agencies, it is decided that the Brown's desire to move to another neighbourhood should be accomplished. The N.A.B., who have previously given the family up as hopeless, agree to play their part in the plan and make a grant towards extra bedding, the Almoner arranges for Mrs. Brown to go on a convalescent holiday so that she will be more able to take full advantage of the new start. This may fail; the caseworker may have to start once more planning with the family. If this piece of intensive social help at a particular time fails to achieve a permanent rehabilitation of the family, perhaps the picture of the family is incomplete, perhaps the family will have to be supported by a casework relationship in its dealings with its own members and with other social agencies over a long period because of the personal inadequacy of Mr. Brown. This long-term policy will still be worth while if it succeeds merely in keeping the family together and helping them to use even some of the social services more effectively. The financial and emotional costs of the break-up of a family far exceed the expense of a caseworker helping only two or three families. Casework is not simply common sense, nor a sentimental clog in the administrative machine, but a skilful process based on psychiatric and social knowledge essential if administrative plans are to work effectively for this minority of families.

In the present organisation of public and social administration the problem family fails to fulfill the minimum conditions for successful treatment either by the general social services or by such special services as the Psychiatric Social Service. It seems to fall between the meshes of the net cast by the Welfare State, either because a new service is needed or because there is insufficient co-operation between existing branches. In the case of the Brown family we saw that many social workers visited, but all were limited in the treatment they could offer either because they were pursuing a routine administrative task in relation to a symptom of deeper trouble, or because they were dealing exclusively with one symptom, or because they were working with the family over a comparatively short period. Moreover, the advent of too many workers tends to distract the family and may even result in the giving of contrary advice. All workers concerned with the family should play a part in a common, total policy for the family.

The argument of the Joint Circular, July, 1950, was that this common, total policy could be formed by Co-ordinating Committees and that no new service or powers were necessary. In the present shortage of social workers

and the structure of public and social administration these meetings where social workers "pool their knowledge, analyse the factors responsible and decide on action, who is to carry out the action and who is to drop the case"<sup>5</sup> are of value. On the negative side, they prevent the worst results of over-visiting and, positively (as in the case of the Browns' move to another district), they can mobilise existing social help for an intensive effort at one particular time. However, overall responsibility should be given to one worker (the caseworker) and the common policy should be based on a casework plan. Work with problem families is often difficult and of long duration, and time and skill should be specially concentrated. At the moment workers are either doing what is in fact a part of family casework or what will fail unless supported by such a service attempting to solve basic problems.

A general family casework service could help not only "problem families," but also families with problems. Not all families will need this basic help—many will be able to tide over a crisis by using the general services—but families who come to the attention of these services are often in need of deeper help. Miss Younghusband has suggested<sup>6</sup> that the nucleus of a Family Casework Department may be found in the amalgamation of existing welfare sections of the various Local Authority departments. This is partly the solution, but we should remember that the routine work of these welfare sections has to continue (e.g., enquiries for free or cheap school meals) and families contacted in this way are not all going to need a casework service, though such an enquiry may reveal the need for it. A better solution may be to enlarge the scope and function of the Children's Departments and provide two lines of workers, the caseworker and the welfare worker, who will pursue the more routine tasks, but be specially trained to discover and interpret signs that a casework service may be needed.

This is an aim for the distant future, but it is important to note now the administrative considerations raised by a study of the problem family. It is often said that administration must be flexible. The problem family presents a challenge to the present administrative structure. Can this structure respond both in form and spirit to this newly-realised problem and all that is involved in it . . . changes in psychological knowledge about the importance of the family, changes in the training of social workers who are now becoming more skilful and explicit? If administration is to be supported by a casework service, it is essential that administrator and social worker begin to understand one another. Each must feel confident that the other knows his job and can perform it competently, each must understand something of the problems and views of the other. Both have a part in the total activity of social policy. The aim of public administration is social and its methods must become more social if the Welfare State is not to be static, but continually sensitive to new problems and new ways of solving them.

<sup>1</sup>2nd Report, Edgbaston Mendicity Society, 1871/2.

<sup>2</sup>Miss Phelp's Report. Evidence before Royal Commission on the Poor Laws, Vol. VIII.

<sup>3</sup>Brockington, C. F. *Journal of Royal Institute of Public Health and Hygiene*. January, 1949.

<sup>4</sup>Majority Report, Part VII, par. 3, p. 449.

<sup>5</sup>Burn, N. *Journal of Royal Sanitary Institute*. July, 1952.

<sup>6</sup>*Social Service*. Winter, 1952.

## BOOK REVIEWS

### *The Home Office*

By SIR FRANK NEWSAM. Allen & Unwin, Royal Institute of Public Administration, 1954. Pp. 210. 15s.

It is a good thing that the Royal Institute of Public Administration has been able, in conjunction with Messrs. George Allen and Unwin, to arrange for a new series of books on the administration of Government Departments. It is of great value to all concerned with public administration, whether in national or local government, and to teachers of political science, that volumes should be available telling us of the functions and organisation of the Departments of State.

The first volume in this New Whitehall series is about the Home Office, a Department with which I am very familiar, as I was Secretary of State for the Home Department from 1940 to 1945. And it is particularly of value that it should have been written by Sir Frank Newsam, the Permanent Under-Secretary of State at the Home Office, of whom I formed a high opinion when he was Deputy Under-Secretary during my period of office.

Clearly, being written by a civil servant, it cannot deal with controversial aspects of political policy. Nevertheless there is still a very great deal to tell for, within the scope and purpose of the series, the book is comprehensive. It goes right through the functions of the Home Office, the political head of which is the senior Secretary of State. These functions are important and varied.

Apart from its responsibilities for the police and prison services and important matters concerned with aliens, the Home Secretary supervises the fire service, civil defence, the welfare of children, explosives, safety in cinemas and theatres, liquor licensing, and betting and lotteries. It is the department that has relations with Northern Ireland, the Channel Islands, and the Isle of Man. It has responsibilities in relation to certain international matters, cruelty to animals, wild birds' protection, charitable collections, and it is the residuary legatee of the functions of the Crown not allocated to other Government Depart-

ments. In some of these matters the Home Office, of course, works closely with the Local Authorities and their part in the various services is referred to in this book.

It is fortunate for British civil liberty that the Home Office does not deal only with police and prison services. This distinguishes our Home Office from the Ministries of the Interior of continental countries. It is a good thing, because in so far as our Home Office is concerned with social and human services apart from security services, it is more likely to be human, more likely to respect the principles of civil liberty, as I believe it does. My own experience of the Home Office impressed upon me how important it was that the department should never be confined to police and prisons, but should deal with a variety of other problems involving social administration of a human and non-criminal character. If ever we try to take away from the Home Office those of its powers which do not relate to police and prisons, we shall injure the good administration of these important services themselves.

Sir Frank Newsam is to be congratulated on having given us a volume which tells the story of the work and administration of the Home Office. There was an earlier volume in 1925 in the Whitehall series, written by Sir Edward Troup, which I remember reading to my great advantage in earlier years. It was, however, necessary that a new and more up-to-date volume should be produced, and here it is.

I am glad to hear that Lord Strang is writing a volume on the Foreign Office and that other Permanent Secretaries and senior officers are preparing volumes on the work of their departments. This New Whitehall series should be of great value. Thanks and congratulations are due to the authors and publishers, and to the Royal Institute of Public Administration.

HERBERT MORRISON.

## Cases in Constitutional Law

By D. KEIR and F. H. LAWSON. Oxford University Press, 1954. Pp. xxxvi + 544. 35s.

THIS is a revised and reset fourth edition. The authors have discarded 20 cases and included 15 others for the first time. The book is divided into seven principal sections, and the selected cases are prefaced by introductory passages of explanation. These essays are generally as comprehensive as the space will allow and refer to much of the case law on the subjects they cover. This is not the place to emphasise the demerits of case book writing in general, but the effect conveyed is of a series of most valuable and interesting essays, the underlying unity of which is obscured rather than illustrated by full or partial quotation from a very few of the cases they cite. Assuming that case books in the English style and against the background of the English method of law teaching in the Universities are useful (and many find them to be so), this book is to be strongly commended. It is up to date, instructive and stimulating.

A few suggestions may be made, without prejudice, as draftsmen say, to the generality of the foregoing. In the passage (pp. 8-10) on the presumption that Acts do not bind the Crown the attention of the student could have been usefully drawn to the *Bombay case* (1947) A.C. 58. "For the case-lawyer," say our authors, "Subordinate Legislation is no longer a very interesting subject" (p. 22). Nor is it if attention is centred, as in the book, on the dead, e.g., *Lockwood's case* and *Yaffe's case*. But space should surely have been found for at least a mention of *Berney v. A-G.* (1947), *Blackpool Corp. v. Locker* (1948), *Jackson, Stansfield & Sons v. Butterworth* (1948), *Sparks v. Edward Ash Ltd.* (1943) and *May v. Beattie* (1927). The statement "No sub-delegation is valid unless it is expressly authorised by the parent Act" (p. 23) is very doubtful and is contradicted by another statement that the applicability of *delegatus non potest delegare* "depends on the construction of the empowering statute" (p. 336). When dealing with the Public Authorities Protection Act, 1893, *Bradford Corp. v.*

*Myers* (1916) should not be cited (p. 198) without reference to *Griffiths v. Smith* (1941) and the *Singapore Harbour Board* case (1952) A.C. 452. Another serious omission is *Reilly v. R.* (1934) in the discussion on contracts of service with the Crown (pp. 195-7). The inference that French courts have no power to declare subordinate legislation invalid (p. 1) is inaccurate. To quote Lord Russell's definition of a by-law (p. 38) without comment is misleading as it is far too wide. To say "the Crown Proceedings Act, 1947, though it has not made very much change in the substance of the law, has revolutionised the practice" (p. 191) is at least ambiguous, and the student turning to page 209 and finding that most of the Act as there set out is under the heading "Substantive Law," may be somewhat puzzled. On pages 254-5 the chopping and changing from ministerial and quasi-judicial "duties," "officers" and "bodies" is confusing and will not help the student to understand the statement (from *L. G. Bd. v. Arlidge*) on p. 376 that the Board of Education (a ministerial body?) must act in good faith and listen fairly to both sides and that if it fails to do so, "its order might be subject to *certiorari* and it must itself be the subject of *mandamus*. To a student, "ministerial" is a slippery word.

A school of thought, to which it would seem these authors belong, holds that constitutional law and administrative law are better regarded as one subject. No one would wish to try to force artificial distinctions on a question which is one of convenience only, but each is a very large subject and a book which contains passages on legislation, the prerogative power, Parliamentary privilege, taxation, the judicial control of public authorities, military law, the maintenance of order, martial law and the Commonwealth is bound to contain errors. The real merits of the work remain considerable.

J. A. G. GRIFFITH.

## Introduction to Trade Unionism

By G. D. H. COLE. Allen and Unwin, 1953. Pp. 324. 18s.

It is a pleasure to read anything by Professor Cole. And it is only afterwards,

#### BOOK REVIEWS

in settling down to the reviewer's happy task of catching the author out, that one realises how many questions he has answered in so small a space. This is a thoroughly competent introduction to the British trade union field, with some incidental reference to other countries. Three solid chapters deal with types of Trade Unions, Trade Union Government, and Central Organisation. There are more specialised chapters on unions' legal position, finance, and educational activities. Others deal with Trade Union Policy, Collective Bargaining, and Trade Unions in Politics. The problems of unionism as a whole are summed up in an introductory chapter on Trade Unionism in General, and concluding reviews of strength and weakness—organisation, that is, trade by trade—and Trade Unionism in the Modern World. There are 24 pages of statistics and bibliography in the Appendix.

What I like best about Professor Cole's treatment is, I think, his feeling for history and for the life of the labour movement. You are never far from the roots in his pages. There is a world of history behind so simple a distinction as that—on page 18—between a *Trade Union* and a *Trades' Union*: the italics are his. He has a lifetime of study and practical experience behind him—it is nearly 40 years, he reminds us, since he became the first trade union research officer, in the old

A.S.E. This shows in the light touch with which he lifts apart and demonstrates the various strands of, for instance, trade union educational policy. He has a good eye for the concrete. There is no theoretical or ideological nonsense, for instance, in his explanation of why American trade unions are much more decentralised than British. It is (page 140) "largely because American trade unionists are prepared to pay much higher dues."

And the defects? As usual, Professor Cole is in a hurry. Some of his argument is a little slipshod. What economists have said about wages in a competitive market has often been wrong, but deserves better than to be dismissed as "nonsense" on page 212. His politics sometimes get the better of his history. I dare say (page 214) that "the Labour Party's victory of 1945 confirmed the obligation on the Government to accept the responsibility for full employment." Only it might have been fairer to say who put the obligation there to be confirmed. And Cole on workers' control is always stimulating, but not I think always right.

But these are incidental defects, which Cole addicts (I am one) will take in their stride, and of which lecturers can put unwary students in mind. By and large, a very useful and also readable piece of work.

MICHAEL P. FOGARTY.

#### *Introduction to the Study of Industrial Relations*

By J. H. RICHARDSON. Allen and Unwin, 1954. Pp. 442. 30s.

PROFESSOR RICHARDSON has written a plain, straightforward, and useful account of what goes on in the industrial relations world. Part I deals with relations at the place of work: selection, training, work study, joint consultation, profit-sharing and co-partnership, and, in general, personnel management. Parts II and III go on to trade union matters. Part II discusses the unions themselves, and collective bargaining. Part III takes in wages, family allowances, and hours of work. Part IV covers state intervention, including social security and relations in nationalised industries. In Part V the international labour movement and the I.L.O. are briefly introduced. And all this is well done. So far as I am concerned

the upshot is that this book is now and henceforward required reading for just that class of people for whom Professor Richardson intends it, namely the first year students in my Department.

No one—not even a professor of Mr. Richardson's seniority—can expect to write a 430-page general textbook on a subject as enormous as this without occasionally putting his foot in it. There are for instance nine lines on page 175, at the end of a paragraph on the Continental Christian trade unions, which contain more misleading half-truths than one would have thought possible in so small a space. But such passages are rare. The shadier side of this book consists rather in a certain flatness and

conventionality. This is partly a matter of style, and partly also of approach. Professor Richardson records, but does not proceed beyond, the ideas of the age which began in 1880 and reached its peak in the 1940s. He takes, for instance, the idea that a firm's policy might be established by its staff as a whole, and sweeps it into the dustbin (page 157) with a reference to Lenin or workers' control in the U.S.S.R. in 1918. I can find no reference to Glacier Metal or Mr. W. B. Brown, whose ideas on the capacity of British workers for self-government, right or wrong, are at any rate more up to date. The chapters on equal pay and family allowances come as far as the Royal Commission on Equal Pay and the Family Allowances Act of 1946, but do not discuss the further conception of "equal standard of living for equal work" now propagated by certain European trade union movements. The discussion of social security is polarised round the ideas of individual freedom and national solidarity: the tasks of the intermediate "solidarities" of the firm, industry, and profession are not seriously discussed. And, let Tavistock or Professor Simey

do what they may, economics (page 20) still seems to enjoy a comfortable priority over the other social sciences concerned with industrial relations.

All of which leads to a last observation—observation, note, not criticism, since this book already covers as much ground as any one volume should. This is an Introduction in the sense in which a book on the national income can be an Introduction to economics. As a matter of fact, the national income makes a very good introduction to economics. But no economics teacher would be content to leave a first-year student simply with a picture of the finished product of the economic process. He must learn something of the theory and basic relationships behind it. So also Professor Richardson's book is only half an introduction. It needs to be completed, even for a first-year student, with a similar review of the underlying factors of personality and group relations—the anatomy and physiology of the subject, so to speak—from which the "clinical" relationships he describes ultimately spring.

MICHAEL P. FOGARTY.

### *Governing Post-war Germany*

Edited by E. H. LITCHFIELD. Cornell University Press (Ithaca), 1954. Pp. xi + 661. 63s.

THIS book begins with the striking remark that "seven years of Allied occupation are indelibly recorded in the character of contemporary German political institutions." It is not primarily a study of the Occupation, but the contributors are in the main men who were engaged in governing one part of Germany for several years after the war, and the Occupation figures large, of course, in post-war German history. The story of governing post-war Germany is very much one of handing over. Yet, excepting the Soviet Zone, can it be said that the Occupation has contributed much to the character of the present and future political institutions of Western Germany? A few specific arrangements are the result of allied pressure, not always with happy results. For instance, Professor Friedrich, in his chapter on the Constitution of the German Federal Republic, thinks the insistence on the federal authorities possessing only delegated powers to have been a mistake. Such delegations have always to be so

broad that only the hazards of judicial review will decide what the limitations are, if any. Other examples could have been given. The financial arrangements between the federal and state authorities are said to be so complicated, costly and inconvenient that they will have to be amended. But details such as these hardly touch upon the *character* of a country's institutions. On all fundamental points it is doubtful whether the Occupation has had much influence. German civil service traditions have survived all assault, as is well recognised in an excellent chapter by Arnold Brecht (a chapter somewhat strangely entitled "Personnel Management"). The protection of civil liberties by constitutional safeguards is something the Germans themselves wanted to ensure. That the Germans needed no encouragement to set up a Constitutional Court can be seen from the fact that it has been given jurisdiction in all manner of disputes, many hardly suitable for a court to settle. There have been changes in police matters

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running contrary to Allied intentions. Federalism itself was desired by many Germans and Dr. Adenauer's own party ; and, in any case, the Socialists insisted so strongly on the federal authorities being given adequate legislative powers that the actual distribution of powers was more a result of compromise among the German parties themselves than the result of Allied insistence.

All this is recognised more or less by the editor, despite his opening remark. He seeks the explanation in the fact that the Allies began their occupation without agreeing on political objectives, so that different things got done in different places and when agreement was reached the power of the Occupying Powers to influence things had been largely dissipated. But would any greater impact have been made—unless, of course, the methods used in the Soviet Zone had been adopted ?

(The Soviet Zone is given a single chapter out of 20, and a few pages here and there.) Western Germany will build its institutions from out of its own bitter experience and its own convictions. The Western Powers will have influenced more by example than by any insistence on specific matters at the moment of occupation. This book provides a very comprehensive introduction to the position from which Western Germany is setting out, and of what has already been done in what are admittedly the formative years. The book rambles somewhat over a whole range of matters, including such topics as education, labour relations, health and welfare, currency and banking, but this adds to its usefulness as a guide to what has so far been done. There are several useful tables on financial matters and electoral statistics.

K. PANTER-BRICK.

## Grading of Clerical Work

Office Management Association, 1953. Pp. 84. 21s.

THIS publication is an extension of the Job Grading Booklet issued by the Office Management Association in December, 1951. It puts forward the advantages of grading clerical jobs according to worth, the idea being that, once the jobs are arranged in grades and clerks have been given jobs suitable to their capacity, the grades can be used as a basis for salary scales and as a ladder for promotion.

Unlike so many publications it does not recommend an intricate system of evaluation to be used by experts. It is addressed, not to the specialist, but to the *practising* manager, who is advised that the approach should be simple and based on a first-hand knowledge of what is involved in each job that has to be done.

A job, it is explained, normally consists in a number of tasks, and the same tasks in different offices may be grouped to form jobs in different ways ; thus although the tasks are common, e.g., filing, typing, etc., the jobs are not. For this reason, it is more convenient to grade tasks first and jobs subsequently. The O.M.A. recommends four grades for routine work, ranging from simple work which requires no previous clerical experience to tasks "which require considerable experience, but only a limited degree of initiative." There are then two higher grades, one

for the supervisor of a small office or for tasks requiring only a limited measure of discretion and initiative ; and the highest grade for tasks which necessitate an extensive measure of responsibility and judgment or the use of a professional technique, e.g., accountancy.

The grade of the job depends on the grading of the component tasks, plus consideration for diversity of experience and skills required. Section 6, with its lists of "grading specifications," is the most important and useful part of the book. A careful study of these specifications shows the way in which jobs can be broken down into tasks and how, by considering the qualities and skills required, a decision as to the proper grading can be reached. In the last resort, however, the manager must decide what kind of a clerk is really needed, and that must be the ultimate criterion of any grading.

Although the book is primarily concerned with the grading of clerical work rather than of clerks, it acknowledges that the two are inevitably related and it suggests that varying degrees of skill and experience in clerks doing jobs of the same grade should be recognised by increments above the starting rate of pay. Five merit ratings are suggested, the maximum being "super-

lative," for which the pay should be somewhat higher than the minimum rate for the next grade, on the grounds that this provides for the promising clerk who is ready for promotion but for whom there is no vacancy. It is claimed that "this is sound because a person doing a job superlatively well is usually capable of doing a job in the next grade with reasonable skill and accuracy in a very short time." This may be true of routine and manipulative work, but does not always follow when the higher-grade job needs different qualities, e.g., initiative and judgment. No mention is made of how much the "superlative clerk" already receiving the pay of an experienced clerk

in the next grade, should be paid when he is eventually promoted. In practice, overlapping of pay between grades on the grounds of individual merit would surely lead to all kinds of anomalies, upset differentials and act as a disincentive to promotion. The main purpose of the book, however, is to show that division of labour, long since practised in industry, can be applied with advantage to the office. The bases on which clerical work should be graded can so easily be lost in a maze of words; this book is valuable because it points the way and leaves the manager to apply the principles to his own office.

S. F. L. PENN.

### *The Law of Tort in Local Government*

By MARY BELL CAIRNS. Shaw & Sons, 1954. Pp. xxiii + 134. 21s.

The law of torts is one of the most complex parts of the English legal system. It has, like other branches of the law, its standard and well proved text-books, such as Clerk and Lindsell, and Salmon; so also Local Government law has its well-known authorities, such as Arnold on *Municipal Corporations*, and Lumley's *Public Health*. There is, however, no established textbook on the law of tort in relation to local authorities. Dr. Cairns has essayed to fill this gap.

Her book is a careful guide to the subject, covering the range of statute and common law in relation to local authorities, and it will serve well for students and others who want a short, comprehensible account of this complicated branch of the law. The publishers, however, assert that "this handbook, the first of its kind, unique in its class, is a 'must' for every chief officer of a local authority no less than for every member of the legal profession." This is claiming a great deal too much; the book is on too small a scale to take its place among the great established text-books, or to meet the needs of the ordinary practitioner, though it may serve a useful, if supplementary, purpose for local government lawyers.

It deserves, however, to be judged, not in relation to its publisher's excessive claims, but on its own merits. By this standard, it may be commended as a clear exposition of the subject. To compress so much into so small a compass is an achievement, and it has been well done.

Inevitably it has entailed some degree of simplification, which has its dangers. For example, the important case of *Attorney General v. Leicester Corporation* [1943] Ch. 86 is neither discussed nor mentioned, and municipal corporations created by royal charter are treated throughout as if their legal status were identical with that of the statutory local authorities. So also it is implied that all local authorities' accounts are audited by the District Auditor, and, in discussing the power of surcharge, it is baldly stated that "should a local authority authorise the doing of some unlawful act, the members responsible for giving the order would be personally liable for the payment of the damages awarded in respect of injury resulting from the act." Such a statement would seem to need much qualification. In the same way, Dr. Cairns has ignored the distinction between functions delegated by a local authority to its committees, and those which are merely referred to committees for consideration and report. This undoubtedly makes the subject simpler, but it leaves much unexplained, and can be misleading.

It would have been impossible for the author to deal fully in so slight a book with every topic which arose. Had she attempted this the book would have been a very different one. Moreover it would have lost its merit as a simple introduction to the subject.

B. KEITH-LUCAS.

## RECENT GOVERNMENT PUBLICATIONS

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THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute.

British Imperial Calendar and Civil Service List, 1954. pp. xiv, 1199. 17s. 6d. Invaluable for all interested in knowing who's who in all government departments, with salaries attached to each office.

### Board of Trade.

The Commonwealth and the sterling area : 73rd statistical abstract, 1949-52. pp. 276. (*typescript*) 15s. Total trade ; direction by currency areas of imports and exports ; commodity pattern of exports and imports, and values ; production, consumption and world prices ; population figures.

### Central Office of Information.

Alliance for peace ; the first five years of the North Atlantic Treaty Organisation. pp. 30. Illus., charts. 1954. 2s.

### Central Statistical Office.

Annual abstract of statistics, No. 90. 1953. pp. xii, 317. 21s. Important new tables in this issue include composition of dwellings occupied by private households ; cost of school meals ; retail establishment ; bank advances and capital issues ; size of manufacturing firms and number of their employees.

Economic trends, No. 1. November, 1953. Monthly. 2s. Charts and key statistics relating to manpower, production, raw materials, external trade and balance of payments, finance, prices, earnings and personal expenditure in the United Kingdom. A pictorial edition of the "Monthly digest of statistics."

Monthly digest of statistics, Nos. 94-99 October, 1953-March, 1954. 4s. 6d.

Central Transport Consultative Committee for Great Britain.

Annual report for the year ended 31st December, 1953. H.C. 104. pp. 14. 6d.

### Civil Service Commissioners.

Report for the reconstruction period 1945-52 (86th report). pp. 64. 1954. 2s.

### Colonial Office.

Annual report on the East Africa High Commission, 1952. pp. 78. 8 illus., map. 1953. 3s. 6d.

Corona, December, 1953-April, 1954. 1s. 6d. December issue contains a timely article on Bechuanaland, by a former Resident Commissioner.

Colonial No. 302. Despatches on the Gold Coast Government's proposals for constitutional reform exchanged between the Secretary of State for the Colonies and H.E. the Governor, August, 1953 to April, 1954. pp. 15. 6d.

Digest of colonial statistics, Nos. 11-12. November-December, 1954, January-February, 1954. 5s. bi-monthly.

Journal of African administration, April, 1954. 2s. 6d. Contains articles on land tenure, local authority police forces in Gold Coast, slum clearance in Khartoum, and training for local government in N. Nigeria.

The national income of Nigeria 1950-51. Colonial research studies No. 11. pp. vii, 123. Bibliog. 6 pp. 1953. 8s. 6d. An important report by A. R. Prest and I. G. Steward, offering conclusions of a wide and general nature indispensable as a background to a large number of problems of economic administration in Nigeria.

Report by the resumed conference on the Nigerian Constitution, Lagos. January-February, 1954. Cmd. 9059. pp. 80. 2s. 6d.

Report . . . on the administration of the Cameroons under United Kingdom Trusteeship for the year 1952. Colonial no. 299. pp. xii, 255. Illus., 3 maps (in pocket). 1954. 12s. 6d.

Report to the Secretary of State for the Colonies by the parliamentary delegation to Kenya, January, 1954. Cmd. 9081. pp. 22. 9d.

Togoland under United Kingdom trusteeship : report for the year 1952. Colonial no. 296. pp. x, 278. 24 illus., 3 maps, bibliog. 1953. 12s. 6d.

## PUBLIC ADMINISTRATION

**Uganda Protectorate**: withdrawal of recognition from Kabaka Mutesa II of Buganda. Cmd. 9028. pp. 46. December, 1953. 1s. 6d.

**Colonial Office List**, 1954. pp. vi, 356. map. 21s. This annual is of great service where details of the various territories of the Commonwealth and their administrations are concerned. The Record of Services is still confined to active members in the higher grades and the select bibliographies which appeared in the 1951 issue have had to be excluded. It would be gratifying to many librarians and others interested if space could be found for them again.

**Commissioners of H.M. Customs and Excise**.

Forty-fourth report for the year ended 31st March, 1953. Cmd. 9031. pp. 181. 97 tabs. 1954. 6s.

**Commissioners of H.M. Inland Revenue**. Ninety-sixth report for the year ended 31st March, 1953. Cmd. 9030. pp. 153. 131 tabs. 1954. 5s.

**Committee of Public Accounts**, Session 1952-53.

First, second and third reports, with proceedings, evidence, etc. H.C. 48-1, 106-1, 203-1. pp. lxxxvii, 461. 1953. 18s. 6d.

**Commonwealth Relations Office**.

Report of a mission to the Bechuanaland Protectorate to investigate the possibilities of economic development in the Western Kalahari, 1952. pp. vi, 50. 4 folding maps. 1954. 15s. Mainly concerned with the expansion of the cattle population and the prospects of beef production on a large scale.

**Department of Agriculture for Scotland**.

Report of the Commission of Enquiry into Crofting Conditions. Cmd. 9091. pp. 100. 1954. 3s. 6d.

**Department of Health for Scotland**.

Analysis of running costs of hospitals, year ended 31st March, 1953. pp. 65. 1954. (typescript) 8s. 6d.

**Department of Scientific and Industrial Research**.

Report for the year 1952-53. Cmd. 9083. pp. 315. 8s. Contains bibliography (38 pp.) of departmental research association publications issued during the year.

**Exchequer and Audit Department**.

Civil appropriation accounts (Classes I-VIII) 1952-53, with the report of the Comptroller and Auditor-General thereon. HC. 34. pp. xxxii, 488. 1954. 17s. 6d.

**Foreign Office**. **Miscellaneous No. 5 (1954)**.

Documents relating to the meeting of foreign ministers of France, the United Kingdom, the Soviet Union and the United States of America, Berlin, 25th January-18th February, 1954. Cmd. 9080. pp. 181. 5s.

**Miscellaneous No. 12 (1954)**. Summary of the report of the Independent Committee of Enquiry into the Overseas Information Services, April, 1954. Cmd. 9138. pp. 55. 1s. 9d.

**Report of the Sudan Electoral Commission**, Khartoum, 31st December, 1953. (Sudan no. 1, 1954.) Cmd. 9058. pp. 24. Tabs. 1954. 1s. 6d.

**Report on the proceedings of the eighth session of the General Assembly of the United Nations**, New York, 18th September-December, 1953. Cmd. 9057. pp. 69. 1954. 2s.

**General Post Office**.

Post offices in the United Kingdom and the Irish Republic, excluding the London postal area. April, 1954. pp. 704. 3s. Postal and telegraphic address of every post office, with the name of the office paying money orders and telegraph money orders.

**Postal addresses**, April, 1954. pp. 200. 1s. A substitute for the above work, for use when information about correct addressing of correspondence is all that is required.

**Second report of the Television Advisory Committee**, 1952. pp. 25. 1954. 1s.

**General Register Office**.

**Census 1951—England and Wales**. County report—London. pp. xlvi, 90. 1953. 22s. 6d. (processed).

**Registrar General's Estimates of the population of England and Wales**; populations of each administrative area at 30th June, 1953. pp. 15. 1954. 6d. **Registrar General's statistical review of**

## RECENT GOVERNMENT PUBLICATIONS

England and Wales for the five years 1946-50. Text, civil. pp. vii, 243. 1954. 6s. 6d.

Registrar General's statistical review of England and Wales for the year 1949—supplement on hospital in-patient statistics. pp. xii, 485. 1954. 15s.

Registrar General's statistical review of England and Wales for the year 1952. Tables. Part I—Medical. pp. x, 368. 1953. 10s.

General Registry Office, Scotland. Ninety-eighth report of the Registrar General for Scotland, 1952. pp. 408. 1954. 10s. 6d.

Home Office. Agriculture Act, 1947. Annual review and determination of guarantees, 1954. Cmd. 9104. pp. 18. 9d.

The finger print system of Scotland Yard: a practical treatise on finger print identification for the use of students and experts and a guide for investigators when dealing with imprints left at the scenes of crime, by Frederick R. Cherrill. pp. 172. Illus., 172 figs. 1954. 21s.

Report of the Commissioner of Prisons for the year 1952. Cmd. 8948. pp. vi, 198. 1953. 6s.

Second report of the Advisory Committee on Publicity and Recruitment for the civil defence and allied services. Cmd. 9131. pp. 18. 1954. 9d.

Hospital Endowments Fund. Accounts 1952-53. H.C. 35. pp. 11. 6d.

House of Commons. Official report. Standing Committees, session 1952-53. 2,887 cols., pp. 77. 1954. 6s. The information given in these debates is usually far more detailed than in those of the House itself. Among the more important of the 27 bills included are the Town and Country Planning; Local Government (Miscellaneous Provisions); Education (Miscellaneous Provisions); Local Government Superannuation; Valuation for Rating Bills. Any of the measures can be obtained separately, and people looking for points for discussion would find these debates very helpful.

Report from the Select Committee on House of Commons Accommodation, etc. H.C. 309. pp. xvi, 162. 1953. 7s. Accommodation allocation for members and employees, refreshment department, residences. Recommends appointment of a "House" Committee.

Report from the Select Committee on Publications and Debates Reports. H.C. 308. 1953. 6d.

Standing orders of the House of Commons, 1953. pp. x, 310. 10s.

House of Lords. Select Committee on the Procedure of the House [Standing orders of the House]. Report. H.L. (74). pp. 59. 1954. 1s. 9d.

Imperial War Graves Commission. Thirty-fourth annual report, 1952-53. pp. 47. 24 illus. 1954. 2s. 6d.

Interdepartmental Committee on Social and Economic Research. Guides to official sources. No. 3. Local government statistics. pp. v, 34. 1953. 1s. 6d. Concentrated mainly on general and financial statistics.

Local Government Act, 1948. Equalisation grant in Scotland: report on result of investigation under Section 30. H.C. 6. 1953. pp. 13. 6d.

Ministry of Agriculture and Fisheries. Farm incomes in England and Wales, 1951-52: a report based on the farm management survey. pp. 12. 38 tabs. 1954. 5s.

Report of the working party on agricultural education. pp. 19. 1953. 9d.

Ministry of Education. Report of the Burnham Committee on scales of salaries for teachers in primary and secondary schools, England and Wales. 1954. pp. 46. 2s.

Report of the Committee on scales of salaries for the teaching staff of farm institutes and for teachers of agricultural (including horticultural) subjects, England and Wales, 1954. pp. 27. 1s. 6d.

Report of the Committee on scales of salaries for the teaching staff of training colleges, England and Wales, 1954. pp. 12. 1s.

Ministry of Food. Domestic food consumption and expenditure, 1951: annual report of

## PUBLIC ADMINISTRATION

the National Food Survey Committee. pp. 116. 6 charts, 5 tabs. 1953. 3s. 6d. Home grown cereals deficiency payments scheme, 1954. pp. 36. 1s. 6d. Administrative arrangements, procedural matters and forms to be used in connection with the scheme.

Interdepartmental Committee on Slaughterhouses (England and Wales)—Interim report. Cmd. 9060. pp. 16. 1954. 6d. Recommends that local authorities should retain responsibility for licensing. Sufficient slaughtering facilities should be available to ensure satisfactory marketing of fatstock at all seasons of the year.

### Ministry of Health.

Report for 1952. Part II—On the state of the public health, being the annual report of the Chief Medical Officer for the year 1952. Cmd. 9009. pp. v, 250. 6s. 6d.

National Health Service. Hospital and specialist services, England and Wales—statistics for the year ended 31st December, 1952. 1954. 20s.

Hospital costing returns, year ended 31st March, 1953. pp. 151. 1954. 12s. 6d.

### Ministry of Housing and Local Government.

Interim report of the committee on synthetic detergents. pp. 7. 1954. 4d. Growing use of detergents does not justify alarm in users or the public health services.

Transfers, exchanges and rents: fourth report of the Housing Management Sub-Committee of the Central Housing Advisory Committee. pp. 40. 1953. 1s. 9d.

Working party on requisitioned properties in use for housing: third and final report. pp. 7. 1954. 4d. Deals with ex-service camps at present in use for civilian housing.

### Ministry of Labour and National Service.

International Labour Conference, thirty-sixth session, Geneva, 4th-25th June, 1953: report by United Kingdom delegates. Cmd. 9023. 1953. 1s. 6d. International Labour Conference: proposed action by H.M. Government . . . on certain conventions and recommendations adopted at the thirty-fifth

session, 1952. Cmd. 9082. pp. 6. 1954. 4d.

Report of the National Youth Employment Council on the work of the Youth Employment Service 1950-53. pp. vi, 48. 1953. 2s.

Ministry of Transport and Civil Aviation. Public road passenger transport statistics, Great Britain, 1952. pp. 23. 1954. 1s. 3d.

Report of the Committee on the Licensing of Road Passenger Services. pp. iv, 114. 1953. 3s. 6d.

### National Parks Commission.

Fourth report for the year ending 30th September, 1953. H.C. 18. pp. iv, 36. 4 illus., 2 maps. 2s. 6d.

### New Towns Act, 1946.

Report of the Development Corporations for the period ended 31st March 1953. H.C. 28. pp. xix, 449. Illus. 15s. Aycliffe, Basildon, Bracknell, Corby, Crawley, Cwmbran, Harlow, Hemel Hempstead, Peterlee, Stevenage, Welwyn Garden City, Hatfield.

North of Scotland Hydro-Electric Board. Report and accounts for the year 1953. H.C. 91. pp. 64. Illus., 2 maps. 1954. 2s. 6d.

Overseas education, April, 1954. 2s. Contains an exceedingly interesting article on "Community education in rural Philippines," by Pedro T. Orata. (pp. 3-19.)

### Overseas Food Corporation.

Report and accounts for 1952-53. H.C. 30. pp. iv, 94. 3s. 6d.

### Post Office.

Commercial accounts, 1952-53. H.C. 21. pp. 54. 2s. 6d.

### Postmaster General.

Broadcasting: memorandum on television policy. Cmd. 9005. pp. 7. 1953. 4d.

### Prime Minister.

The future organisation of the United Kingdom atomic energy project. Cmd. 8986. pp. 10. 1953. 6d.

### Public Record Office.

One hundred and fourteenth report of the Deputy Keeper of the Records. pp. 30. 1954. 1s.

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Report of  
Records.

Road Haulage Disposal Board. First report, for six months ended 28th November, 1953. H.C. 25. pp. iv, 8. 6d.

Royal Commission on the Civil Service. Minutes of evidence, first and second days : 24th-25th February, 1954.—Treasury witnesses. pp. 43. 2s.

Minutes of evidence . . . third and fourth days : 8th and 24th March, 1954.—Civil Service Commission witnesses. pp. 47-92. 2s.

Royal Commission on the Taxation of Profits and Income.

Second report. Cmd. 9105. pp. x, 125. 1954. 4s. 6d. Part 1—The taxation of wages and salaries. Part 2—Graduation and differentiation. Contains (pp. 91-124) a study by the Government Social Survey on the attitudes of production workers to P.A.Y.E. as a system of paying income tax and the effects of income tax on incentives.

Royal Mint. Eighty-second annual report of the Deputy Master and Comptroller, 1951. pp. iv, 94. 4 pl. 1953. 3s. 6d.

Scottish Home Department. Industry and employment in Scotland, 1953. Cmd. 9102. pp. 71. 1954. 2s. 6d. General economic progress ; main industries ; basic services ; education, research and design.

Third report of the Scottish Local Government Law Consolidation Committee. Cmd. 8993. pp. 12. 1953. 6d. (Police law).

Return of rates in Scotland, 1952-53 and 1953-54 ; rateable values 1953-54 ; population and area 1953. pp. 16. 6d.

Scottish Office. Agriculture in Scotland : report of the Department of Agriculture for Scotland for 1953. Cmd. 9113. pp. 91. 46 tabs., 10 illus. 1954. 3s. 6d.

Reports of the Department of Health for Scotland and the Scottish Health Services Council 1953. Cmd. 9107. pp. 144. 24 tabs. 1954. 4s. 6d.

Select Committee on Estimates, 1953-54. First report—Civil defence. H.C. 19. pp. xviii, 292. 1954. 12s. 6d. Report and recommendations, minutes of evidence.

Second report—Grants in aid, with

proceedings, minutes of evidence, and appendices. H.C. 143. pp. xxvi, 125. 1954. 6s. Mainly concerned with grants to institutions and bodies not subject to day-to-day parliamentary control.

Second special report—Departmental replies. 1. Assistance to exporters. 2. Civil defence. H.C. 74. pp. 14. 1954. 6d.

Third special report, with minutes of evidence. H.C. 149. pp. iv, 11. 1954. 9d. Select committees beyond the precincts of the House.

Select Committee on Members' Expenses, etc.

Report, proceedings of the Committee, minutes of evidence and appendices. H.C. 72. pp. xxxiv, 85. 1954. 5s. Appendices cover payments, privileges, amenities, and working conditions of Commonwealth and foreign members of Parliament.

Stationery Office.

Consolidated index to government publications, 1946-50. pp. 162. 1954. 6s. No prices are given. For these reference should be made to the annual lists, from which the index in each should be extracted. The finding figure is the page in the annual lists in which the number is progressive through the four years, which should be bound with this new index into the volume.

Statutory Publications Office.

Annotations to acts : directions for noting the amendments made by the acts, statutory instruments and Church Assembly Measures of 1953 to the . . . annual volumes of statutes. pp. 159. 15s.

Treasury.

The Colombo Plan : the second annual report of the Consultative Committee on Economic Development in South and South East Asia. Cmd. 9016. December, 1953. 3s. 6d.

Economic survey, 1954. Cmd. 9108. pp. 54. 5 charts. 1s. 6d.

Financial statement (1954-55). H.C. 139. pp. 25. 1s. 3d.

Progress in Asia : the Colombo Plan in action., by D. G. Bridson. pp. 36. 23 photos., maps, charts. 1953. 1s. 6d. Why the Colombo Plan is necessary ; what the Plan is doing ; aims and aid ; the New Delhi Conference, 1953.

#### PUBLIC ADMINISTRATION

Public Boards ; list of members of Public Boards of a commercial character as at 1st November, 1953, with salaries and allowances, and a list of those holding more than one appointment. 1953. 9d.

Report of the Committee on the Taxation Treatment of Provisions for Retirement. Cmd. 9063. pp. vi, 159. 1954. 5s. Life assurance relief ; retirement benefit schemes for employees ; self-employed persons, and employees having no pension rights ; purchased annuities, etc.

Standing Commission on Museums and Art Galleries. Fourth report, 1949-53.

pp. 34. 1954. 1s. 6d.

United Kingdom balance of payments 1946-53 (No. 2). Cmd. 9119. pp. 49. 1954. 2s. 3d.

University Grants Committee.

Returns from Universities and University Colleges in receipt of Treasury grant, academic year 1952-53. Cmd. 9130. pp. 44. 1954. 2s. 6d.

Welsh Land Settlement Society Ltd.

Co-operative farms and smallholding with centralised services in Wales report and accounts for 1952-53. pp. 36. 1954. 2s.

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